

**Executive Grain Market Summary**

**Currency / Oil:**

**LIFFE Wheat:**

	Close	Change on week		Close	Change on week	
£/\$	1.28	-0.01		May 19	£173.40	-£1.35
£/€	1.12	-0.01		Nov 19	£157.95	-£0.30
Nymex Oil	\$51.45	-\$3.18		Nov 20	£157.20	-£0.10

**Wheat Futures Market Comparisons:**

	Cbot/Liffe		Matif/Liffe		Cbot/Liffe (Corn/Wheat)	
	May 19	Nov 19*	May 19	Nov 19*	May 19	Nov 19*
Closing differential	<b>-£27</b>	<b>-£5</b>	<b>+£8</b>	<b>+£13</b>	<b>-£56</b>	<b>-£37</b>
Change on week	<b>+£2</b>	<b>u/c</b>	<b>u/c</b>	<b>u/c</b>	<b>+£2</b>	<b>+£1</b>

Note:

1. Cbot/Liffe Nov\* and Matif/Liffe Nov \* compares Cbot and Matif Dec with Liffe Nov
2. Relevant forward exchange rates are used to convert to Sterling equivalents
3. Prices are based on Thursday pm market closes. Nymex oil = front month position.
4. All figures are approximate and intended solely to illustrate trends

**UK Update:**

- Defra/AHDB balance sheet puts the 2018/9 UK exportable wheat surplus at 800k tonnes with the barley surplus put at 960k tonnes.
- AHDB early bird planting survey forecasts the 2019 crop UK wheat area at 1.864m ha (vs 1.744m in 2018); winter barley 444k ha (vs 385m); spring barley 735k ha (vs 768k); oats 190k ha (vs 159k); osr 582k ha (vs 619k); pulses 183k ha (vs 199k); linseed 19k ha (vs 25k); arable fallow 183k ha (vs 199k).
- Based on 5-year average yields the early bird figures imply a 2019 UK wheat crop of 15.6m (vs 14.1m in 2018), barley 7.3m (vs 6.6m).

**EU Update:**

- Weekly EU soft wheat exports of 83k took the ytd total to 6.2m (vs 8.8m last ytd); weekly barley exports 44k, ytd 2.1m (vs 2.4m); weekly maize imports 337k, ytd 7.6m (vs 6.0m)
- Agri-Mer report the 2019 French wheat crop at 82% good/excellent (vs 82% last week; 96% last ytd).
- MARS crop report highlighted ongoing low rainfall totals across SE Europe, Germany, Eastern France, the Benelux countries and Ukraine.

**Global Update:**

- Sov-Econ forecast Nov 18 Russian grain exports at 4.4m (vs 5.0m in Oct 18; 5.3m in Nov 17) including wheat at 3.7m (vs 4.4m; 4.2m).
- Sov-Econ forecast 2019 Russian grain crop at 121m (vs 110m in 2018) including wheat at 77.3m (vs 70m) with the 2019 winter cereal area put at 18.2-18.3m ha (vs 17.8m in 2018).
- Ukraine Ag-Min estimates Jul-Nov 18 grain exports at 17.6m (vs 16.4m last ytd) including wheat 9.0m (vs 9.6m), maize 5.2m (vs 2.9m) with full 2018/9 season grain exports forecast at 47m (vs 39.4m).
- Algeria bought 600k milling wheat at \$250.50-252.50 cif for Jan 19 shipment...likely French/Argentinean origin.
- At 25 Nov the US winter wheat crop was rated 55% good/excellent (vs 56% last week; 50% last ytd; 56% 5-year average)
- Russian blockade of the Kerch strait (links the Sea of Azov with the Black Sea) set to disrupt exports from the Ukrainian ports of Mariupol and Berdyansk (these ports account for 5-9% of Ukraine's annual grain exports).
- CNGOIC forecast 2018 Chinese soyabean imports at 90m (vs 96m in 2017)...the first annual decrease since 2011.
- Safras and Mercado forecast 2018/9 Brazilian soyabean production at a record 122m (vs 119m in 2017/8), maize 95m (vs 82m)...big crops!
- US EPA set to maintain 2019 conventional bio-fuel mandate (the amounts legally required to be blended into road fuels) at 15bn gallons with advanced bio-fuels at 4.9bn (vs 4.3bn in 2018)

**Comment:**

Traders are nervously awaiting the outcome of the dinner meeting on Saturday night between Presidents Trump and Xi at the G-20 in Argentina, with the US bulls hoping for a thawing in currently ice-cold US/China trade relations...place your bets and keep a close eye on Twitter!

**MS**