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Executive Grain Market Summary **2-6 Nov 2020**

Currency / Oil:

	Close	Change on week
£/$	1.31	+0.02
£/€	1.11	u/c
Nymex Oil	$38.79	+$2.62

LIFFE Wheat:

	Close	Change on week
Nov 20	£190.00	+£3.00
May 21	£189.50	+£2.90
Nov 21	£158.20	+£0.60

Wheat Futures Market Comparisons:

	Cbot/Liffe		Matif/Liffe		Cbot/Liffe (Corn/Wheat)	
	Nov 20*	Nov 21*	Nov 20*	Nov 21*	Nov 20*	Nov 21*
Closing differential	**-£19**	**+£14**	**-£1**	**+£16**	**-£67**	**-£40**
Change on week	**-£4**	**+£1**	**+£1**	**+£1**	**-£1**	**-£1**

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:

- AHDB report Jul-Sep 20 GB wheat use in animal feed production at 1.09m (vs 1.17m last ytd), barley 0.37m (vs 0.29m), maize 117k (vs 124k)
- AHDB report Jul-Sep 20 GB wheat use for milling at 1.47m (vs 1.44m last ytd) including home grown 1.17m (1.24m) and imported 0.3m (vs 0.2m)
- AHDB report Jul-Sep 20 GB barley use for malting at 401k (vs 470k)

EU Update:

- EU-28 2020/1 season soft wheat exports now total 6.9m (vs 9.7m last ytd), barley exports 2.6m (vs 2.9m), maize imports 5.5m (vs 6.8m)
- At 2 Nov, Agri-Mer report the 2021 French winter wheat crop as 76% planted (vs 66% last week; 63% last ytd), winter barley 87% (vs 80%; 78%)
- Loadings data puts French Oct20 wheat shipments to China at over 500k tonnes…would be the highest single month total for over 10 years.
- EU Commission cut their EU-28 2020 maize crop forecast to 60.2m (vs 63.1m previous forecast; 70.1m in 2019) and increased their 2020/1 season maize import forecast to 22.0m (vs 19.0m; 18.4m)

Global Update:

- IKAR estimate Russian Jul-Oct20 cereal exports at 20.7m (vs 18.9m in 2019) including wheat 16.5m (vs 15.9m), barley 2.8m (vs 1.7m).
- Ukrainian 2020 maize crop forecasts now range from 26-34m (vs 35.9m in 2019).
- Dry conditions back in place across southern Russia for the next 2 weeks with temperatures also falling sharply…one to follow.
- Egypt bought 180k wheat for 15-30 Dec @ $275.30 cif and 120k for 8-18 Jan @ $275.80 cif…all Russian origin on 180 payment terms.
- Saudi Arabia tendering for 600k milling wheat for Feb-Mar 21 shipment.
- At 1 Nov, the 2021 US winter wheat crop was rated 43% good/excellent (41% previous week; 57% last ytd; 54% 5-year average)
- IHS forecast the 2020 US maize crop at 368m (vs 374m latest USDA forecast; 346m in 2019)
- IKON report record wheat yields in northern NSW and forecast the Australian 2020 wheat crop at 32m (vs 28.9m latest Abares; 15.2m in 2019)
- China has rejected Australia's appeal to remove the 80% tariff on Aussie barley imports and is reported to be looking at imposing new tariffs on Aussie wheat.
- Safras forecast 2020 Brazilian maize production at 116.4m (vs 115.5m previous forecast; 103m in 2019) following recent beneficial rainfall.
- Warm, dry conditions set to re-establish across Argentina and Southern Brazil as the La Nina system intensifies…one to follow very closely.

Comment:

Renewed weather concerns and ongoing international demand have combined to push prices higher this week…look out for the latest USDA update (especially maize numbers) next Tuesday.

Note – the next Executive Summary will be issued on Friday 27 Nov **MS**