

**Executive Grain Market Summary**

**2-5 Sep 2019**

**Currency / Oil:**

**LIFFE Wheat:**

	Close	Change on week		Close	Change on week
£/\$	1.23	+0.01	Nov 19	£132.20	+£0.35
£/€	1.11	+0.01	May 20	£139.50	+£1.40
Nymex Oil	\$56.26	-\$0.45	Nov 20	£141.80	+£0.15

**Wheat Futures Market Comparisons:**

	Cbot/Liffe		Matif/Liffe		Cbot/Liffe (Corn/Wheat)	
	Nov 19*	Nov 20*	Nov 19*	Nov 20*	Nov 19*	Nov 20*
Closing differential	<b>+£5</b>	<b>+£5</b>	<b>+£18</b>	<b>+£22</b>	<b>-£17</b>	<b>-£12</b>
Change on week	<b>-£5</b>	<b>-£3</b>	<b>-£4</b>	<b>-£2</b>	<b>-£6</b>	<b>u/c</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:**

- Strategie Grains increased 2019 UK wheat crop forecast to 15.8m (vs 15.1m previous forecast; 13.6m in 2018).
- Sterling set a new 1 month high against the Euro (£=€1.116) and Dollar (£=\$1.233) this morning as the risk of a no-deal Brexit is removed...in the short-term at least!

**EU Update:**

- Weekly soft wheat exports of 397k took the ytd total to 3.6m (vs 3.0m last ytd); weekly barley exports 4k, ytd 1.1m (vs 1.2m); weekly maize imports 460k, ytd 3.6m (vs 2.1m).
- EU Commission revised 2019/20 EU-28 production forecasts: soft wheat 142.7m (vs 141.3m previous forecast; 128.7m in 2018), barley 60.5m (vs 59.7m; 56.6m), maize 68.5m (vs 69.5m; 69.3m), osr 17.5m (vs 18.0m; 20.0m).

**Global Update:**

- Ukr-Agro increased 2019 Ukrainian maize crop forecast to a record 35.5m (vs 34.2m previous forecast; 35.0m in 2018) with 2019/20 season exports forecast at 28.8m (vs 27.7m; 30.4m).
- IKAR revised 2019 Russian production forecasts: wheat 74.5m (vs 75.0m previous forecast; 72.1m in 2018), barley 19.5m (vs 18.9m; 17.0m); maize 13.5m (vs 13.5m; 11.4m), all cereals 120.4m (vs 120.0m; 113.2m).
- Russian Jul-29 Aug cereal exports reported at 8.7m (vs 9.8m last ytd).
- Kazakh Ag-min has cut 2019/20 wheat export forecast to 7m (vs 9m previous forecast) following a 'poor harvest'.
- Saudi Arabia tendering this weekend for 595k milling wheat for Nov-Jan shipment.
- Pakistan rumoured to need to buy 1m wheat this season following a poor domestic crop.
- At 1 Sep the 2019 US maize crop was rated 58% good/excellent (vs 57% last week; 67% last ytd) with no imminent frost threat to the late planted crop.
- USDA forecasts farm sector debt increasing to \$418bn at the end of 2019...this would be the highest level since 1982.
- Allendale survey puts 2019 US maize yield at 167.7 bu/ac (vs 169.5 latest USDA forecast; 176.4 in 2018) with the crop forecast at 349m (vs 353m; 366m); soyabeans yield 46.1 bu/ac (vs 48.5; 51.6), crop 95m (vs 100m; 124m)
- Argentina remains dry but the Ag-Min has maintained their 2019/20 wheat crop forecast at 21m (vs 19m in 2018/9).

**Comment:**

The London wheat market has been the best performing exchange this week, posting strong gains relative to Paris and Chicago, as political manoeuvrings appear to have removed the threat of an imminent no-deal Brexit...expect more Westminster-led grain price turbulence to follow!

**MS**