

Executive Grain Market Summary

2-6 July 2018

Currency / Oil:

LIFFE Wheat:

	Close	Change on week		Close	Change on week
£/\$	1.32	+0.01	Nov 18	£171.75	+£11.45
£/€	1.13	u/c	May 19	£177.45	+£11.30
Nymex Oil	\$72.94	-\$0.51	Nov 19	£168.25	+£9.75

Wheat Futures Market Comparisons:

	Cbot/Liffe		Matif/Liffe		Cbot/Liffe (Corn/Wheat)	
	Nov 18*	Nov 19*	Nov 18	Nov 19*	Nov 18*	Nov 19*
Closing differential	-£28	-£14	-£3	+£4	-£64	-£53
Change on week	-£8	-£10	-£1	-£2	-£14	-£10

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:

- Ongoing dry conditions set to trigger another round of reduced 2018 production forecasts with some now discussing UK wheat crop at 13.5m (vs 14.5m in 2017).
- Final NIAB seed certifications put the split of wheat in Eng/Wales as: Group-1 23.5% (vs 23% last year); Group-2 13.2% (16.1%); Group-3 7.6% (4.7%); Group-4 55.7% (56.2%).
- NIAB seed certifications for England/Wales puts the key varietal split for spring barley as: Planet 29.5% (vs 24.8% last year); Propino 26.2% (vs 31.6%); Laureate 13.3% (vs 6.6%); Irina 7.8% (7.4%); Concerto 4.5% (vs 7.2%); others 23.2% (22.2%)

EU Update:

- Weekly EU soft wheat exports of 65k took the provisional full 2017/8 season total to 20.3m (vs 24.0m in 2016/7); weekly barley exports 70k, full season 5.5m (vs 5.4m); weekly maize imports 94k, full season 17.1m (vs 13.1m).
- German Farmers Group, DBV forecasts 2018 German grain crop at an 11 year low of 41m (vs 45.6m last ytd) including wheat 20.5m (vs 24.1m), barley 8.0m (vs 9.0m) with the osr crop at 3.7m (vs 4.3m)
- Oilworld cut the 2018 EU osr crop to 20.6m (vs 21m previous forecast; 21.8m in 2017)
- Copa and Cogeca forecast 2018 EU soft wheat crop at 131.1m (vs 143m in 2017).

Global Update:

- Russian Ag-Min report final 2017/8 grain exports at an impressive 52.1m (vs 35.1m in 2016/7), including wheat 40.2m (vs 26.8m), barley 5.7m (vs 2.9m), maize 5.8m (vs 5.0m)...and currently forecast 2018/9 exports at 40-45m.
- Algeria bought 650k wheat (likely French origin) @ \$234-237 cif for Sep shipment.
- Saudi Arabia tendering for 1.5m feed barley for Sep/Oct shipment.
- At 1 July US maize crop rated 76% good/excellent (vs 77% last week; 68% last ytd), soyabeans 71% (vs 73%; 64%); spring wheat 77% (vs 77%; 37%).
- Informa forecast 2018 US wheat crop at 50.9m (vs 49.7m latest USDA forecast; 47.4m in 2017), maize 366m (vs 357m; 371m), soyabeans 120.4m (vs 116.5m; 119.5m)
- Aussie Met Bureau report a 50% of El Nino developing by the end of 2018.
- IKAR cut 2018 Russian maize crop forecast to 12.3m (vs 12.8m previous forecast; 13.6m in 2017) on hot, dry conditions in the south.
- IGC cut 2018/9 global wheat crop to 737m (vs 742m previous forecast; 758m in 2017/8), maize 1052m (vs 1055m; 1043m), wheat/coarse grain 2077m (vs 2089m; 2090m).
- IGC forecast end 2018/9 global wheat stocks at 256m (vs 258m previous forecast; 261m end 2017/8), maize 253m (vs 257m; 297m), wheat/coarse grain 544m (vs 556m; 598m)

Comment:

Liffe wheat raced higher this week as the summer heatwave continues across the UK, with the IGC report forecasting a 9% fall in global cereal stocks over the 2018/9 season providing wider market support.

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Please note that the next Executive Summary will be issued on Friday 27 July