

Executive Grain Market Summary

Currency / Oil:

	Close	Change on week			Close	Change on week
£/\$	1.34	+0.01		Nov 18	£161.20	+£2.15
£/€	1.14	u/c		May 19	£167.00	+£2.10
Nymex Oil	\$65.95	-\$1.09		Nov 19	£157.90	+£1.70

LIFFE Wheat:

Wheat Futures Market Comparisons:

	Cbot/Liffe		Matif/Liffe		Cbot/Liffe (Corn/Wheat)	
	Nov 18*	Nov 19*	Nov 18	Nov 19*	Nov 18*	Nov 18*
Closing differential	-£8	+£5	+£3	+£10	-£45	-£40
Change on week	-£3	-£2	-£3	-£2	-£8	-£4

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:

- ODA forecast 2018 UK wheat crop at 14.4m (vs 14.5m in 2017)

EU Update:

- Weekly EU soft wheat exports of 167k took the ytd total to 18.9m (vs 23.1m last ytd); weekly barley 2k, ytd 5.2m (vs 5.1m); weekly maize import 152k, ytd 16.0m (vs 11.5m)
- At 3 June Agri-Mer rated the French soft wheat at 79% good/excellent (vs 80% last year; 75% last ytd) with the spring barley crop at 78% (vs 77%; 74%) and maize 77% (84%; 87%)... some analysts talking the 2018 wheat crop at 38-40m (vs 36.3m in 2017).
- Spanish co-op association ACCOE forecast 2018 soft wheat crop at 5.9m (vs 4.1m in 2017)
- DRV cut 2018 German wheat crop forecast to 22.9m (vs 24m previous forecast; 24.5m in 2017), barley 10.7m (vs 11.1m; 10.9m), osr 4.1m (vs 4.1m; 4.3m) with all cereals at a 7-year low of 43.8m (vs 45.8m; 45.5m)...as drought continues in northern Germany.
- Infograin forecast 2018 Polish wheat crop at 10.5m (vs 11.6m in 2017)...too dry.
- EU Commission cut 2018/9 soft wheat crop forecast to 140.3m (vs 141.5m previous forecast; 141.8m in 2017/8).

Global Update:

- Ukr-Agro cut 2018 Russian wheat crop forecast to 69-71m (vs 74m previous forecast; 83m in 2017) with IKAR cutting the crop to 71.5m (vs 73.5m)...weather forecasts look largely hot and dry across the south for the next 2 weeks.
- ACF cut 2018/9 Australian wheat crop forecast to 23.3m (vs 24.6m previous forecast; 21.2m in 2017/8), barley 8.9m (vs 9.0m; 8.9m), osr 3.4m (vs 3.6m; 3.7m) with NSW and Queensland still desperate for rain.
- Mixed reports from the US with some early wheat yields better than expected but some later cuts in Kansas said to be disappointing...Informa forecast the 2018 US winter wheat crop at 33m (vs 34.5m in 2017)
- GNCOIG forecast 2018 Chinese wheat crop at a 4 year low of 126.7m (vs 129.7m in 2017)
- At 3 June the 2018 US maize crop was rated 78% good/excellent (vs 79% last week; 68% last ytd) with weather forecasts across the Mid-West currently looking close to ideal.
- FC Stone cut 2017/8 Brazilian maize crop forecast to 78.4m (vs 83.9m; 97.8m in 2016/7) with the soyabean crop increased to a record 117.1m (vs 117m; 114m).
- A weak economy and workforce unrest pushed the Brazilian Real to a 2-year low against the Dollar yesterday with the currency falling a further 2% so far today...this is pressuring Chicago maize and soyabean prices lower.

Comment:

UK grain markets outperformed Matif and Chicago this week as forecasts suggest another very tight domestic balance sheet over the 2018/9 season...internationally wheat bucked the trend of lower commodity prices as Russian crop forecasts threaten to sink below 70m.