

**Executive Grain Market Summary**

**4-8 March 2019**

**Currency / Oil:**

**LIFFE Wheat:**

	Close	Change on week			Close	Change on week
£/\$	1.31	-0.01		May 19	£159.50	-£3.70
£/€	1.16	-0.01		Nov 19	£145.50	-£0.80
Nymex Oil	\$56.66	-\$0.56		Nov 20	£146.35	-£1.50

**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>-£37</b>	<b>-£15</b>	<b>-£1</b>	<b>+£9</b>	<b>-£49</b>	<b>-£29</b>
Change on week	<b>-£1</b>	<b>-£3</b>	<b>+£1</b>	<b>+£1</b>	<b>+£4</b>	<b>+£3</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:**

- UK animal feed production over Jul-Jan period reported at 8.27m (vs 8.09m last ytd) with wheat use put at 2.85m (vs 2.79m), barley 0.62m (vs 0.72m), maize 0.34m (vs 0.20m).
- Coceral forecast 2019 UK wheat crop at 15.3m (vs 13.6m in 2018), barley 7.0m (vs 6.6m), oats 0.92m (vs 0.92m), osr 1.91m (vs 1.99m).

**EU Update:**

- Weekly EU soft wheat exports of 182k took the ytd total to 11.7m (vs 13.9m last ytd); weekly barley exports 3k, ytd 3.0m (vs 4.0m); weekly maize imports 363k, ytd 16.6m (vs 11.5m)
- To date EU 2018/9 season soft wheat exports are at 62% of the 19m full season target (vs 68% of the 20.3m shipped in 2017/8 last ytd).
- At 4 March Agri-Mer rated the 2019 French winter wheat crop at 86% good/excellent (vs 85% last week; 81% last ytd), winter barley 80% (vs 80%; 79%) with the 2019 spring barley crop 93% sown (vs 73%; 30%)
- A cargo of Romanian origin milling wheat has been rejected in Egypt, reportedly for a hagberg reading of 130 (vs min 200 contract spec)
- Coceral forecast the 2019 EU-28 cereal crop at 298.5m (vs 280.2m in 2018) including soft wheat 139.8m (vs 127.4m), barley 59.4m (vs 56.1m), maize 61.0m (vs 60.3m)
- Coceral forecast the 2019 EU-28 OSR crop at 18.5m (vs 19.7m in 2018)

**Global Update:**

- IKAR forecast 2019 Russian wheat crop at 78.5m (vs 77.6m previous forecast; 72.1m in 2018).
- Saudi Arabia bought 625k milling wheat at average \$248 cif for Apr-Jun shipment...this is likely German/Baltic origin and is \$20 below their previous purchase in November.
- ABARES opening 2019 Australian wheat crop forecast of 23.9m (vs 17.3m in 2018) looks optimistic given the relentless east coast drought ahead of the April/May winter cereal planting window.
- At 26 Feb US Funds had built large short positions on the Chicago Exchange totalling maize 13.3m tonnes; wheat 8.0m; soyabeans 5.0m
- The China/Canada trade dispute intensifies with China withdrawing Richardson's licence to export Canadian canola into China.
- USDA forecasts 2019 US farm incomes rallying to \$69.4bn (vs \$63.1bn in 2018; \$75.1bn in 2017)
- UN FAO forecasts 2019 global wheat production at 757m (vs 728m in 2018).

**Comment:**

The bearish US Funds remain fully in control as they continue to add to their massive short positions on the Chicago Exchange given ongoing benign growing conditions in most of the main grain growing regions.

**MS**