

**Executive Grain Market Summary**

**7-10 May 2019**

Note – comparisons below are against values quoted in the last Exec Summary issued 18 April

**Currency / Oil:**

**LIFFE Wheat:**

	Close	Change on week		Close	Change on week
£/\$	1.30	u/c	May 19	£155.75	-£8.75
£/€	1.16	u/c	Nov 19	£142.75	-£5.75
Nymex Oil	\$61.70	-\$2.06	Nov 20	£146.85	-£3.65

**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>-£16</b>	<b>+£4</b>	<b>+£9</b>	<b>-£51</b>	<b>-£30</b>
Change on week	<b>+£2</b>	<b>u/c</b>	<b>+£8</b>	<b>+£2</b>	<b>+£5</b>	<b>+£2</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:**

- AHDB animal feed figures over the 9 months from Jul-Mar put wheat use unchanged at 3.65m (vs 3.66m last ytd), barley 16% lower at 0.79m (vs 0.94m); maize 80% higher at 0.48m (vs 0.26m)

**EU Update:**

- Weekly EU soft wheat exports of 103k took the ytd total to 17.1m (vs 17.8m last ytd); weekly barley exports zero, ytd 3.9m (vs 5.1m); maize imports 360k, ytd 20.5m (14.9m).
- French Mar 19 soft wheat exports set a season high at 2.15m taking the Jul-Mar total to 12.4m (vs 12.0m last ytd).
- Strategie Grains forecast the 2019 EU-28 osr crop at a 12 year low of 18.9m (vs 19.1m previous forecast; 20.0m in 2018).

**Global Update:**

- Ukr-Agro forecast 2019 Ukrainian wheat crop at 28m (vs 26.8m previous forecast; 24.7m in 2018)
- Updated analysts' forecasts put the 2019 Russian wheat crop at 80.6-83.4m (vs 72m in 2018) with conditions in Southern Russia improving but some concern about crops in the Volga region...weather developments over the next few weeks need close monitoring.
- Russian Ag-Min proposing to extend the current zero-tax export policy for a further 12 months given current confidence of a strong 2019 harvest.
- CNGOIC forecast 2019 Chinese wheat crop at 132m (vs 135m in 2018), maize 256m (vs 258m in 2018) and forecast 2019/20 soyabean imports at 89m (vs 87m in 2018/9).
- Conab increased 2018/9 Brazilian maize crop forecast to 95.2m (vs 94m previous forecast; 80.7m in 2017/8), soyabeans 114.3m (vs 113.8m; 119.3m).
- At 5 May the 2019 US winter wheat crop was rated 64% good/excellent (vs 64% last week; 34% last ytd) and the 2019 maize crop was 23% planted (vs 36% last ytd; 46% 5-year average).
- Informa forecast the 2019 US winter wheat crop at 35.1m (vs 32.2m in 2018).
- Informa forecast the 2019 global wheat crop at 773m (vs 733m in 2018).
- ACF forecast 2019 Australian wheat crop at 23.8m (vs 17.5m in 2018), barley 9.1m (vs 8.0m), osr 3.1m (vs 2.0m).
- US/China trade talks this week failed to reach agreement, with the US reacting by imposing increased tariffs on \$200bn of Chinese imports and China set to retaliate.
- UN FAO forecast 2019 global wheat crop at 767m (vs 730m in 2018).
- UN FAO forecast 2019/20 global cereal crop at a record 2722m (vs 2650m in 2018/9), with use up to 2728m (vs 2688m) and global ending 2019/20 stocks falling to 847m (vs 853m).

**Comment:**

Poor US export sales, collapsing US/China trade talks and strong domestic crop ratings allowed the market bears to push prices down to new contract lows this week, with nothing of significance in play, at the moment, to encourage the bulls.

**MS**