

Executive Grain Market Summary

Currency / Oil:

	Close	Change on week			Close	Change on week
£/\$	1.30	-0.01		Nov 18	£178.60	+£2.15
£/€	1.13	+0.01		May 19	£183.40	+£1.90
Nymex Oil	\$74.33	+\$2.21		Nov 19	£166.30	+£3.30

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 19*
Closing differential	-£33	-£5	+£1	+£6	-£67	-£47
Change on week	-£1	+£1	-£1	-£1	-£1	-£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:

- Updated AHDB quality survey (~8000 samples) shows that 44% of the 2018 GB Group-1 milling crop hit full specification (vs 24% in 2017) of which an impressive 99% made 250 hagberg (vs 56%), 85% made 76kg/hl (vs 59%), 55% made 13.0 protein (vs 69%).
- Early NIAB winter wheat seed certifications for England/Wales (approx. 25% of forecast total) are split: Group-1 35.1% (vs 23.3% final in 2017), Group-2 9.7% (vs 13.0%), Group-3 9.6% (vs 7.1%), Group-4 45.6% (vs 56.6%)...more updates will follow.
- Hovis announced the imminent closure of the Southampton flour mill, the sale of Selby and Manchester to Whitworth Bros with Wellingborough mill to be retained to supply flour exclusively into Hovis bakeries.
- RESAS initial crop estimates put 2018 Scottish wheat crop at 0.81m (vs 0.89m in 2017), winter barley 0.29m (vs 0.35m), spring barley 1.33m (vs 1.43m), oats 0.18m (vs 0.19m), osr 0.13m (vs 0.14m).

EU Update:

- Weekly EU soft wheat export sales of 128k took the ytd total to 3.9m (vs 5.8m last ytd), weekly barley export 7k, ytd 1.4m (vs 1.5m), weekly maize import 380k, ytd 3.9m (3.6m).
- Strategie Grains forecasts 2019 EU-28 osr area falling to 6.32m (vs 6.86m in 2018).
- EU Commission cut 2018 maize crop forecast to 61.9m (vs 64.2m previous forecast; 65.5m in 2017).

Global Update:

- Egypt bought 180k Russian wheat at \$252-255 cif for 1-10 Dec shipment (this is approx. \$9 higher than their previous purchase made on 18 Sep).
- Russian customs data shows Sep 18 wheat exports at 4.5m (vs 4.2m in Sep 17) with loadings data putting the Jul-Sep 18 total at 13.6m (vs 10.4m).
- Reported that breaches of new Russian phytosanitary rules could lead to a 90-day suspension of grain exports from 30 ports in the key Krasnodar and Rostov regions...fake news or a serious threat?
- The driest September on record in Australia with an FC Stone survey cutting the 2018 wheat crop forecast to 16.4m (vs 18.8m previous forecast; 21.2m in 2017), barley 6.6m (vs 7.7m; 8.9m), osr 2.2m (vs 2.5m; 3.7m)...lower bids to follow?
- Morocco announced the suspension of wheat import duties (from 135%) effective 1 Nov in response to rising global prices.
- Weekly US maize export sales of 1.43m took the Sep 18 total (4 weeks) to 5.3m (vs 2.7m last ytd) the highest since the 2007/8 season.
- FC Stone increased 2018 US maize crop forecast to 379m (vs 369m previous forecast; 371m in 2017), soyabeans 131m (vs 130m; 120m).
- USDA forecast 2018 US wheat crop at 51.3m (vs 51.1 last month; 47.4m in 2017).

Comment:

Wheat markets continue to quietly rally buoyed by more talk of Russian export restrictions, a gloomy Australian production outlook and improving US export prospects.