

Soy Complex – The soy complex traded modestly lower yesterday following strong grains seen earlier in the week, soya beans came under pressure by overbought ideas triggering light profit taking. Even though most of the trade is talking about lower than expected production figures due to warm temperatures and a limited amount of rain forecast we must not forget that only three months ago we heard complaints of flooding and sodden fields causing delays to planting.....is the 'drought' as bad as the trade is making out? Sticking with the weather theme, (something that we know well across the Island) we move onto frost concerns which will become a real threat in Northern areas due to developments being behind the normal pace. We will require frost free conditions well into September to allow the crop to reach maturity and maximize yields. The Pro Farmer's crop tour is currently underway and early indications show good pod counts and production prospects, the market is awaiting further information which is due to be released on Friday. Soybean oil took its lead from other edible oil markets along with crude oil prices.

Grain – CBOT corn give back some of the gains on reports of better than expected yields in Ohio and South Dakota from the annual Pro Farmer crop tour. Just for reference, South Dakota yield was estimated at 161.75 bu/ac, back up from 74.26 bu/ac last year and the three year average of 119.65 bu/ac. Regardless of these figures the yield and crop is not yet made, and there is a limited chance of rainfall in the Midwest. The Dec contract closed 10 cents down. News was light on the wheat front which followed corn lower, Sep & Dec contracts both trade just over 7 cu/bu lower. In the EU markets there is no change to report on either futures or cash.

Crude oil, equities and currency – Brent crude eased for a third session out of four to trade under \$110 a barrel on Wednesday, reflecting caution among investors waiting for more clues from the U.S. Federal Reserve on its stimulus strategy. The pound traded at \$1.5668 at this morning after advancing to \$1.5696 yesterday, the highest level since June 18. Sterling was at 85.62 pence per euro.

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