

Market Report Wednesday, 28 August 2013

CBoT Meal					LIFFE Wheat					
	High	Low	Close	Change		High	Low	Close	Change	
SEP3	470.00	456.20	455.90	(2.70)	Nov-13	162.75	160.00	161.20		
OCT3	446.00	433.70	432.80	(5.50)	Jan-14	#N/A	#N/A	163.45	4.45	
DEC3	445.00	430.00	430.40	(6.30)	Mar-14	#N/A	#N/A	164.50	4.10	
JAN4	437.00	429.00	427.30	(7.70)	May-14		165.80	167.00	4.35	
MAR4			413.50	(6.90)						
MAY4			398.10	(5.10)						
JUL4			395.00	(4.90)						
AUG4			388.00	(4.60)						
SEP4			376.30	(3.90)						
CBoT Beans					MATIF Wheat					
	High	Low	Close	Change		High	Low	Close	Change	
SEP3	1,443.00	1,413.00	1,414.00	(13.75)	Nov-13	192.25	188.00	192.00	(0.25)	
NOV3	1,408.00	1,370.00	1,370.50	(19.00)	Jan-14	192.50	188.75	192.50		
JAN4	1,394.00	1,367.00	1,365.50	(21.50)	Mar-14	193.25	189.50	193.25	(0.25)	
MAR4	1,370.00	1,338.00	1,335.75	(17.25)	May-14	192.00	188.75	191.75	0.25	
MAY4	1,328.00	1,307.00	1,307.75	(11.00)	Jul-14	194.75	194.75	194.00	1.50	
JUL4			1,302.75	(11.75)						
AUG4			1,280.50	(13.75)						
SEP4			1,240.00	(20.25)						
NOV4			1,213.00	(6.00)						
CBoT SBO					MATIF Maize					
	High	Low	Close	Change		High	Low	Close	Change	
SEP3	44.64	44.05	44.06	(0.38)	Aug-13	178.75	175.75	177.25	0.25	
OCT3	44.70	44.15	44.21	(0.35)	Nov-13	179.50	177.25	178.00	0.25	
DEC3	45.00	44.46	44.52	(0.36)	Jan-14	182.00	178.75	179.75		
JAN4	45.18	44.75	44.66	(0.35)	Mar-14	183.75	180.00	182.50	0.50	
MAR4	45.40	45.00	44.91	(0.30)	May-14	185.00	181.25	185.25	0.50	
MAY4	45.50	45.25	45.17	(0.24)						
JUL4			45.44	(0.21)						
AUG4			45.50	(0.21)						
CBoT Wheat					MDEX CPO					
	High	Low	Close	Change		High	Low	Close	Change	
SEP3	651.50	651.50	650.75	(4.00)	SEP3		2477	2443	2466	(14.00)
DEC3	669.00	667.00	663.75	(3.00)	OCT3		2482	2447	2458	4.00
MAR4			675.50	(3.25)	NOV3		2476	2441	2452	3.00
MAY4			682.75	(3.00)						
JUL4			677.00	(3.50)						
SEP4			687.00	(2.75)						
CBoT Corn					Matif Rape					
	High	Low	Close	Change		High	Low	Close	Change	
SEP3	518.00	499.00	499.75	(16.00)	Aug-12	390.50	382.50	389.00	0.25	
DEC3	502.50	485.00	486.25	(14.25)	Nov-12	393.00	387.00	391.75	(0.25)	
MAR4	507.00	498.50	498.75	(5.50)	Feb-13	395.00	390.50	394.00	(2.00)	
MAY4			506.25	(13.75)						
JUL4			511.50	(13.50)						
					Economy					
						High	Low	Close	Change	
					Crude Oil	109.32	105.88	109.01	2.87	
					FTSE	6440.97	6407.48	6419.71	(51.13)	
					Dow Jones	14939.25	14765.42	14776.13	(163.12)	
					LIBOR 3m	#N/A	#N/A	0.51		
					Brent Crude	115.29	110.73	114.36	3.20	
					FOREX					
						Close	Change	Live	Change	
					£/\$	1.5545	(0.0029)	1.5513	(0.0032)	
					£/€	1.1606	(0.0043)	1.1597	(0.0009)	
					€/£	0.8613	0.0032	0.8619	0.0006	
					€/€	1.3392	0.0024	1.3373	(0.0019)	
					\$ Index	109.32	105.88	109.01	-0.241	

Please feel free to contact any member of the team as follows:

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Proteins – When the CBOT trade opened yesterday afternoon the soy complex began the session by trading sharply higher due to follow on buying from the previous mammoth buying spree. However it failed to hold onto those gains after a midday weather forecast was more favourable and a few players decided to take some profits. This morning beans and meal are higher again but slightly lower than where we started the day yesterday. The market is still trying to digest what all the weather, yield predictions and uncertain acreage figures mean for the end price. Monday saw the largest bean volume on a rally day since July 19th 2012 but nobody really knows what yield we are going to get in the US so there is a lot of guess work going on here. Sentiment has certainly changed from “I am buying nothing” to “maybe I should put a bit on”. Given that pretty much everybody except the farmer was sitting short the market this move in sentiment is significant and likely to continue for the next couple of weeks until yields start being discovered and the farmer starts selling. “Nobody ever said it would be easy”.

Grains – Grains have been dragged higher with the rise in soybeans of late but have struggled to really muster up anything too convincing. There may definitely be some production loss of corn occurring in the US due to the current hot dry weather but there is room on the balance sheet so nobody has got that animated about it yet. A long term factor from gains in soybeans outpacing corn is the expectation that South American farmers will switch acreage back to soybeans from corn.

Matif traded in a €4 range before finishing unchanged while Liffe rose £4 playing catch up from Monday’s rally with fresh news lacking. Cash markets were non-existent in France and Constanza was very nominal due to the bid/offer spread being too wide to trade.

Currency, Equities, oil etc – Geopolitical uncertainty had a large effect on markets yesterday but so far nothing flowing through to ag commodities. Crude oil spiked higher while equities dropped after reports that Western forces could attack Syria within days prompted nervous investors to dump riskier assets. The market is abuzz with all sorts of scenarios regarding what the expected US military intervention may mean to oil supplies and oil prices. In turn “safe haven” assets such as gold, US treasuries and the Swiss franc all moved higher as investors ran for “safety”. These global investors must have a different definition of safety than the rest of us because as you can see from the gold price graph below gold is anything but safe!



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