

Market Report Monday, 05 August 2013

CBoT Meal	High	Low	Close	Change
AUG3	429.00	411.00	412.10	(13.30)
SEP3	402.80	385.80	385.20	(12.50)
OCT3	357.00	356.00	357.20	(5.60)
DEC3	364.00	354.00	354.20	(5.00)
JAN4			355.10	(5.00)
MAR4			355.60	(4.50)
MAY4			355.20	(4.60)
JUL4			356.60	(4.70)
AUG4			355.00	(4.70)

CBoT Beans	High	Low	Close	Change
AUG3	1,363.00	1,335.00	1,331.00	(26.75)
SEP3	1,246.00	1,212.25	1,212.75	(21.50)
NOV3	1,207.00	1,177.50	1,181.50	(11.00)
JAN4			1,187.25	(10.75)
MAR4	1,213.00	1,189.00	1,190.00	(10.75)
MAY4			1,190.50	(10.25)
JUL4			1,194.75	(10.75)
AUG4			1,185.75	(10.00)
SEP4			1,172.75	(8.75)

CBoT SBO	High	Low	Close	Change
AUG3	42.75	42.20	42.38	(0.11)
SEP3	42.85	42.30	42.49	(0.11)
OCT3	42.95	42.40	42.60	(0.08)
DEC3	43.20	42.60	42.82	(0.10)
JAN4	43.25	42.70	42.95	(0.11)
MAR4	43.50	42.95	43.18	(0.13)
MAY4			43.39	(0.11)
JUL4			43.60	(0.07)

CBoT Wheat	High	Low	Close	Change
SEP3	665.00	660.00	660.50	2.50
DEC3	676.00	672.50	673.00	2.50
MAR4			682.50	1.50
MAY4			687.50	0.50
JUL4			682.00	(0.75)
SEP4			687.25	(1.75)

CBoT Corn	High	Low	Close	Change
SEP3	485.75	475.50	476.00	(11.50)
DEC3	469.25	463.00	463.75	(3.25)
MAR4	475.75	475.25	476.50	(3.25)
MAY4	483.25	483.25	484.25	(3.25)
JUL4			490.25	(3.00)
SEP4			492.25	(2.25)

LIFFE Wheat	High	Low	Close	Change
Nov-13	164.45	162.75	162.70	
Jan-14	#N/A	#N/A	163.70	(0.15)
Mar-14	#N/A	#N/A	164.60	(0.15)
May-14		167.50	167.60	(0.15)

MATIF Wheat	High	Low	Close	Change
Nov-13	191.25	187.50	187.50	(0.50)
Jan-14	192.00	188.00	188.25	(0.25)
Mar-14	192.75	188.75	189.00	(0.50)
May-14	190.50	186.25	186.50	(0.75)
Jul-14	#N/A	#N/A	187.50	(0.75)

MATIF Maize	High	Low	Close	Change
Aug-13	219.25	197.50	203.50	(14.25)
Nov-13	170.75	168.00	168.00	0.50
Jan-14	170.75	170.00	169.75	0.75
Mar-14	172.75	171.50	171.75	1.00
May-14	175.50	175.00	175.00	1.00

MDEX CPO	High	Low	Close	Change
AUG3	2318	2315	2296	22.00
SEP3	2274	2258	2276	(10.00)
OCT3	2254	2236	2258	(19.00)

Matif Rape	High	Low	Close	Change
Aug-12	365.00	359.25	363.00	#N/A
Nov-12	369.75	361.50	362.75	4.75
Feb-13	372.75	365.50	365.75	4.50

Economy	High	Low	Close	Change
Crude Oil	108.82	106.45	106.94	(0.86)
FTSE	6671.66	6647.22	6669.23	(34.11)
Dow Jones	15658.43	15558.68	15658.36	30.80
LIBOR 3m	#N/A	#N/A	0.51	
Brent Crude	110.09	108.38	108.95	(0.57)

FOREX	Close	Change	Live	Change
£/\$	1.5287	0.0169	1.5292	0.0005
£/€	1.1508	0.0062	1.1513	0.0005
€/£	0.8686	(0.0046)	0.8683	(0.0003)
€/¥	1.3281	0.0075	1.3270	(0.0011)
\$ Index	108.82	106.45	106.94	-0.428

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

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Grains – Corn futures closed lower for the week due to little weather stress. Weather continues to prove favorable in the US and yield expectations continue to rise ahead of the USDA's crop report on Monday 12th August. Until then more and more private forecasters will chuck their guess in the ring with the more heavyweight forecasters carrying more impact and moving the markets to a greater degree. Informa will be out later today with its production guess. Rain totals are not overly abundant at the minute but abnormally cool temperatures across the Corn Belt have kept evaporation rates low and moisture supply is widely seen as adequate. Weekly crop conditions due tonight and the trade is widely expecting little change. 6-10 day weather maps are cool with a bit of rain so nothing to get the bulls jumping up and down about. It won't be too long until the bulls bring "Mr Frost" out of the closet to revive their dwindling case. Who are these bulls because most people seem to be talking the market lower? Well farmers have sold under 10% of their crop so far (normally around 30% sold at this time of year) so by definition they are the bulls.

So far so good and futures have hit all our downside targets. Next stop looks to be 450 Dec corn (only 13 cents away this morning!) and a very important psychological level which is likely to have a good bit of support. Originally 450 was our low target for corn, however, we may well see \$4 corn before the season is over. Big caveat to all the good weather and record production stories is that it is premature to be high fiving on record crops just yet (although it is getting more and more likely) so 450 Dec corn could be a level that sees more than just a tiny bit of support due to potential further weather threats (Mr Frost) and a complete lack of farmer selling. Very few if any Irish consumers have been sitting completely on the sidelines not buying any forward corn but if that's the case then best to put some on the books at the current levels and hope that it's the most expensive corn you will purchase.

While corn futures drifted lower for the week US wheat moved higher. Matif and Liffe futures finished pretty much unchanged for the week. Exports were good, cool temperatures slowed some crop progress in Canada, frost apparently damaged some of the Brazilian crop and quality concerns plague much of the Northern Hemisphere. However, any rally attempts have been largely dampened by the corn production story.

Proteins – Soybean futures prices moved lower last week with Nov beans losing 40 cents. The market remains caught between the extremes of very tight old crop supplies and an excellent new crop production outlook. Volatility in the nearby contract has not faded evidenced by Aug meal on Friday which at one point traded +\$14 only to finish at -\$13. It is important to remember that the high prices we have seen in recent years has been a function of unusual weather related soybean crop losses between the US and South America and the recently elevated price levels are not normal price levels. While corn has seen a big decline and lower levels accomplished protein prices so far have been held up due to a snugger world S&D and the US soybean crop being at an earlier stage of production than the corn. The snug S&D from the USDA includes things like China demand at 69mmt which may be over egging the pudding and as time goes on the weather premium given to the market dwindles providing the weather is beneficial. More potential downside on this one as there is nothing threatening in the weather forecast.

Currency, Equities, oil etc – Stocks ended flat on Friday as investors turned cautious after weaker than expected farm payrolls data even as the US unemployment rate showed an improvement. The recent Dollar strength has faded this morning against both Euro and Pound. Investors are looking to the Federal Reserve policymakers for a better read on whether the US central bank will go through with its plan to reduce its bond buying stimulus. The US economy looks to be doing much better than the EU, however, currently the Euro is managing to hold a considerably strong exchange when viewed over the last 2 years. Don't be surprised to see the Dollar strengthening against the Euro from here which would give some support to ex silo prices quoted in Euros.

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