

Market Report Tuesday, 06 August 2013

Soybean Meal	High	Low	Close	Change	Overnight
Aug '13	412.70	400.70	402.60	↓ -9.50	↑ 0.20
Sep '13	388.90	375.00	377.10	↓ -8.10	↓ -1.70
Oct '13	359.00	351.80	354.80	↓ -2.40	↓ -1.30
Soybeans	High	Low	Close	Change	Overnight
Aug '13	1336.00	1318.50	1329.75	↓ -1.25	↓ -0.50
Sep '13	1214.25	1186.50	1207.50	↓ -5.25	↓ -2.50
Nov '13	1188.75	1170.50	1183.25	↑ 1.75	↓ -1.75
Soybean Oil	High	Low	Close	Change	Overnight
Aug '13	42.82	42.11	42.38	↓ -0.11	↑ 0.32
Sep '13	42.90	42.05	42.82	↑ 0.33	↓ -0.06
Oct '13	43.03	42.26	42.95	↑ 0.35	↓ -0.04
CBOT Wheat	High	Low	Close	Change	Overnight
Sep '13	665.50	641.50	645.25	↓ -15.25	↓ -2.00
Dec '13	678.50	654.00	657.75	↓ -15.25	↓ -1.75
MATIF Wheat	High	Low	Close	Change	Overnight
Nov '13	186.75	183.50	184.00	↓ -2.50	↑ 0.00
Jan '14	186.75	184.50	184.75	↓ -2.25	↑ 0.00
LIFFE Wheat	High	Low	Close	Change	Overnight
Nov '12	161.50	159.25	159.50	↓ -3.20	↑ 0.00
Jan '13	162.50	161.70	160.50	↓ -3.20	↑ 0.00

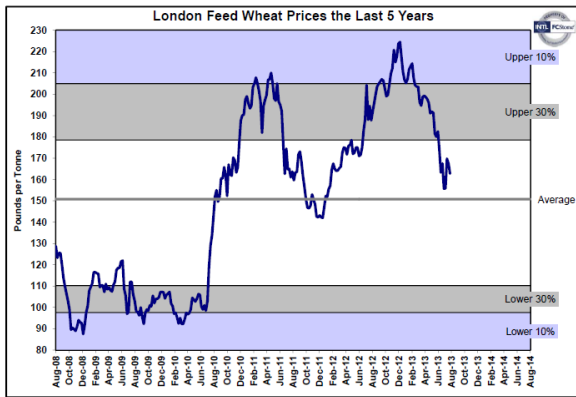
MATIF Rapeseed	High	Low	Close	Change	Overnight
Aug '13	362.25	357.75	359.25	↓ -3.75	↑ 0.00
Nov '13	366.00	361.75	363.25	↓ -4.25	↑ 0.00
Feb '13	369.75	364.00	366.00	↓ -4.25	↑ 0.00
CBOT Corn	High	Low	Close	Change	Overnight
Sep '13	475.00	465.50	469.25	↓ -6.75	↓ -2.00
Dec '13	465.00	456.00	460.50	↓ -3.25	↓ -1.75
Mar '13	477.25	468.75	473.50	↓ -3.00	↓ -2.00
MATIF Corn	High	Low	Close	Change	Overnight
Aug '13	195.50	162.50	166.50	↓ -37.00	↑ 0.00
Nov '13	167.75	165.25	165.50	↓ -2.50	↑ 0.00
Asia Contracts	Last	% +/-	Crude Oil	last	
BMD Palm Oil	689.25	-0.68%	NYMEX	106.47	
Dalian SBO	6268	0.00%	ICE	108.49	
FOREX	Spot	1W ago	Equities	+/-	
\$/€	1.3255	1.3262	FTSE	-28.29	
€/£	1.1567	1.1486	ISEQ	0	
\$/£	1.5337	1.5236	DJI	-46.23	
£/€	0.8641	0.8704	H SENG	-20.77	

Grains – The grain markets were weak yesterday with a re-iteration of the good weather and production outlook for the US along with improved harvesting conditions for France and other parts of Europe weighing. Some major technical levels on the charts also taken out to open the door for another round of selling. Relative to six months ago prices are indeed low but relative to previous seasons we are still quite high and in fact, in many cases we are still only trading the 5 year averages (chart below). Assuming above average production and carryouts bring below average prices we still have a bit to go yet. Interesting to take a stab at possible impacts of Chinese dairy product botulism originating from New Zealand's Fonterra. Following the news they have banned New Zealand milk powder imports the NZ dollar fell sharply (chart below), such is the importance of the dairy industry broadly and Fonterra specifically on the Kiwi economy. China originates the majority of its dairy products from New Zealand and Australia but also from Europe. Today's GDT auction should show New Zealand whole milk powder (WMP) and skim milk powder (SMP) futures lower with European markets comparably firmer. Longer term this would be potentially bullish European dairy producers including our good selves as China looks to diversify supply into other suppliers of which Europe's perceived high standards and diversification of dairy processors will probably be looked on favourably. Matif maize dropping a massive €30/tonne on expiry. Overnight corn is down again with US crop ratings show an overall rise in the US crop condition (64% good/excellent v 63% LW) with on-going cool if not entirely wet weather during the key pollination phase, at \$4.56 we are a whisker away from many bears target level of \$4.50. After that we are staring down a \$4'ish market.

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

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Proteins – Protein markets generally weak yesterday and the weakness predicated again on the better weather outlook for the US. Looking at the crop progress data however the crop is desperately late in development and the soybean crop appears to be missing some hotter weather! The US is 39% into pod setting versus 51% on average for this time of year, with 50 days or so from pod setting to maturation the door is open to early frost threat. The new crop soy/corn ratios starting to walk out higher making 2013/14 likely another season where protein is relatively high compared to grains and other NGFI's. That is at least until South American supplies come in early next summer. The soy:corn ratio's suggesting South American farmers will be weighted towards sowing proportionally more soybeans for the next harvest.

Currencies and equities – Currency market see the euro trading flat at 1.325 versus the USD and 0.864p sterling. Energies and equities are flat to lower.

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