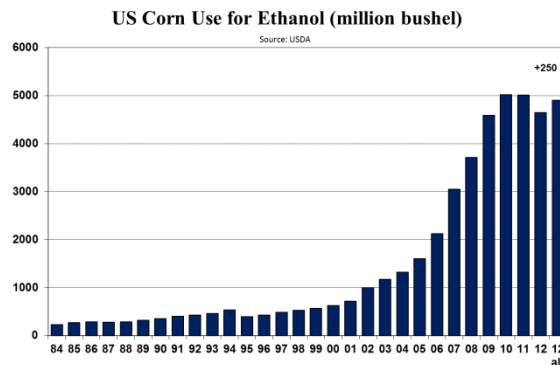


Market Report

Wednesday, 07 August 2013

Grains – The market appears to be finding a level as traders anticipate Monday's USDA report. Trade anticipating an increase in yield and production with yield estimates heading for 160bu/acre, production heading for 14billion bushels and ending stocks for 2billion bushels. The market however reluctant to give up much more near term with good trading volumes going through the exchanges at these levels. The backdrop of international grain tenders also a probable source of support with Egypt breaking 1mmt of wheat imports. Also, with the US consuming 30% of its corn for ethanol production it is worthy of note that the EPA there have decided to stabilise its corn ethanol mandate and reduce its "advanced biofuel" demands. The latter being ethanol from straw etc. This has caused ethanol's RINS (renewable identification numbers) to fall sharply in price and by extension will reduce the ethanol production economics. Last year was the first year that corn ethanol demand actually fell and as one of the pillars of price appreciation over recent year's longer term demand growth for US corn will have to come from either the domestic food/feed markets or exports. Leading on from this, China is on the radar too with very hot and dry conditions there to potentially prompt a further growth in its re-developing grain import program. European markets see some areas very hot and dry weather to temper expanding corn production expectations but better weather in France is helping alleviate some of the quality concerns in the wheat market. The US new crop wheat exports also notably strong too. Domestically, the broken weather is not helping the harvest efforts but drying between showers appears to be good. Winter barley nearing completion and at home we are into our winter rapeseed with the winter oats ready to follow, we would be optimistic for both in terms of yield and like most farmers the dinner table conversation is yield optimism and price pessimism.



Proteins – Values were under some pressure with more indications of good US weather. Dec soymeal ended at an 11 week low. Soyoil in particular was weak with the EPA indicating it will reduce advanced biofuel mandated targets in upcoming months. This causing uncertainty regarding likely biodiesel demand for soyoil with USDA forecasting a 14.5% increase in usage. There are plenty of ideas regarding crop yields, with many confident of a good performance this year – but caution is advised on this front with just 39% of the crop setting pods vs 51% average with some areas unlikely to mature enough by early frost dates. US farmer sales of the new crop remains near zero.

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

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Currencies and equities – Currency market see the euro trading lower at 1.328 versus the USD and 0.868p sterling. Energies and equities are mostly lower.

Rory Deverell

Soybean Meal	High	Low	Close	Change	Overnight
Aug '13	406.90	393.80	396.00	↓ -6.60	↑ 2.90
Sep '13	381.00	370.70	371.60	↓ -5.50	↑ 2.00
Oct '13	354.50	348.00	348.80	↓ -6.00	↑ 1.40
Soybeans	High	Low	Close	Change	Overnight
Aug '13	1335.00	1318.25	1324.25	↓ -5.50	↓ -0.25
Sep '13	1209.75	1192.50	1193.50	↓ -14.00	↓ -0.75
Nov '13	1183.00	1165.25	1167.25	↓ -16.00	↓ -0.75
Soybean Oil	High	Low	Close	Change	Overnight
Aug '13	42.47	41.97	42.11	↓ -0.61	↑ 0.32
Sep '13	42.90	42.05	42.21	↓ -0.61	↓ -0.23
Oct '13	43.01	42.16	42.33	↓ -0.62	↓ -0.25
CBOT Wheat	High	Low	Close	Change	Overnight
Sep '13	651.25	642.25	650.50	↑ 5.25	↑ 2.00
Dec '13	663.50	654.50	662.75	↑ 5.00	↑ 2.00
MATIF Wheat	High	Low	Close	Change	Overnight
Nov '13	184.75	183.00	184.25	↑ 0.25	↑ 0.00
Jan '14	185.50	183.50	184.50	↓ -0.25	↑ 0.00
LIFFE Wheat	High	Low	Close	Change	Overnight
Nov '12	159.50	158.50	159.30	↓ -0.20	↑ 0.00
Jan '13	160.75	160.75	160.30	↓ -0.20	↑ 0.00

MATIF Rapeseed	High	Low	Close	Change	Overnight
Aug '13	358.50	354.50	356.25	↓ -3.00	↑ 0.00
Nov '13	363.25	359.00	360.75	↓ -2.50	↑ 0.00
Feb '13	366.50	361.25	363.00	↓ -3.00	↑ 0.00
CBOT Corn	High	Low	Close	Change	Overnight
Sep '13	475.50	465.50	472.25	↑ 3.00	↑ 2.00
Dec '13	462.25	455.00	459.25	↓ -1.25	↑ 2.00
Mar '13	475.00	468.00	472.50	↓ -1.00	↑ 2.25
MATIF Corn	High	Low	Close	Change	Overnight
Aug '13	166.25	164.25	165.75	↓ -0.75	↑ 0.00
Nov '13	168.00	165.75	167.75	↑ 2.25	↑ 0.00
Asia Contracts	Last	% +/-			
BMD Palm Oil	680.5	-2.09%		Crude Oil	last
Dalian SBO	6268	0.00%		NYMEX	105.2
				ICE	107.87
FOREX	Spot	1W ago		Equities	+/-
\$/€	1.3279	1.3300		FTSE	-33.23
€/£	1.1520	1.1428		ISEQ	-21.8
\$/¥	1.5300	1.5206		DJI	-93.39
£/€	0.8678	0.8747		H SENG	-43.8

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