

Weekly Market Report

Week Ending 15/02/08

ROUND-UP

| Exchange | Last Traded Value (15/02/08) | Weekly Change |
|----------------------|---------------------------------|---------------|
| Mar Liffe (Wheat) | £180 | -£7.50 |
| Mar CBOT (Corn) | \$5.15 | +\$0.05 |
| Mar CBOT (Wheat) | \$10.27 | +\$0.48 |
| Mar MATIF (Wheat) | €265 | -€15.50 |

SUMMARY

- European feed grains fall in volatile trade
- US CBOT rallies – Minneapolis continues to give support
- Minneapolis wheat continues to make new contract highs – rationing demand & battling for acres
- ONIGC raises both French wheat and Corn ending stocks (wheat up 390K)
- Strategy Grains holds 2008 EU cereal forecast at 292 million , up 15%
- Barley suffers from lack of both domestic and export demand
- High Milling wheat prices in North America buy additional acres

WEATHER/CROP DEVELOPMENT

- Morocco receives 47% more rainfall after drought last year
- US HRW areas receive additional rain and snow
- Eastern Ukraine suffers limited winterkill

BOTTOM LINE

The extreme volatility continues as old crop international markets play out the final months of the season. EU prices continue to largely be led by the US markets where high US prices are at last starting to slow exports which will be monitored closely in the coming weeks.

In Europe the markets will increasingly focus on new crop developments , with crops in the Northern Hemisphere generally in reasonable shape . The USDA outlook conference this week will give its first 2008/9 grain forecasts which will be reviewed closely by the trade.

