

# Weekly Market Report

**Week Ending 14/03/08**

## ROUND-UP

| Exchange             | Last Traded Value<br>(14/03/08) | Weekly Change |
|----------------------|---------------------------------|---------------|
| May Liffe            | £190.5                          | -£1.50        |
| Nov Liffe            | £160.25                         | -£1.75        |
| May CBOT<br>(Wheat)  | \$11.91                         | +\$0.71       |
| May MATIF<br>(Wheat) | €284                            | -€6.00        |

## SUMMARY

- European prices ease slightly , largely ignoring the US
- US CBOT wheat rallies in very volatile week
- USDA raises Global wheat ending stocks , from 109.70 to 110.4million
- USDA raises Global coarse grain ending stocks from 125.97 to 128.39million
- Russia forecasts a potential 90million grain crop , up from 81 in 2007
- Ukraine forecasts a potential 40 million grain crop up from 32 in 2007
- Italy forecasts a 20% increase in wheat production in 2008
- Defra forecasts English wheat area up 10.4%, barley up 13.9%, Oats up 12.1%

- Informa raises US winter wheat planting forecast by 400,000 acres and spring forecast by 900,000 acres

## WEATHER/CROP DEVELOPMENT

- US HRW areas receive welcome rainfall
- Pakistan says it doesn't believe it will suffer from the dangerous stem rust disease this season

## BOTTOM LINE

The markets remain very nervous , both from any potential weather threat and also from the severe financial turbulence we are currently experiencing. In recent months there has clearly been an out flow of money from equities and real-estate into commodities .This has resulted in massive agri futures buying , particularly in the US and to a lesser extent in France. (in the US there have been various industry meetings concerned about the extent of fund money involvement, with some of the large commercials unwilling to flat price grain because of the divergence of futures and basis levels , coupled with margin call issues )

Despite this continued Ag investment the new crop fundamentals if anything have become more bearish as crops come out of winter in above average conditions, coupled with some crop areas being revised upwards.

Look for volatility to continue through the key weather growing months