

Weekly Market Report

Week Ending 09/05/08

ROUND-UP

Exchange	Last Traded Value (09/05/08) 9.45am	Weekly Change
May Liffe	£157	-£4.00
Nov Liffe	£140	Unch
May CBOT (Wheat)	\$8.18	+\$0.42
Nov MATIF (Wheat)	€201	+€6.50

SUMMARY

- European markets trade in narrow range
- US CBOT firms as corn gives support
- Corn plantings at 27% versus 5 year average of 59%
- German wheat forecast at 15.8% higher at 23.89 million
- Spain forecasts winter cereal at 19./6% down after last years bumper harvest
- Argentina strike threats continue to hamper Ag commodity movement
- New Crop UK barley prices weaken

WEATHER/CROP DEVELOPMENT

- The US mid west remains wet – corn planting delays continue
- Eastern and Southern Australia needs rainfall

BOTTOM LINE

The wheat market has been torn this week between increasing optimism for record Northern hemisphere wheat crops and increasing pessimism in the US corn belt where wet weather continues to delay planting. (the net result of this is likely to be a narrowing of the spread between wheat and corn , with wheat replacing some corn in feed rations)

Weather remains key , with the short term focus mainly on the corn belt coupled with some concern about Australian weather.

Note USDA report this afternoon will have some influence and thereafter weather will resume center stage