

# Weekly Market Report

**Week Ending 16/05/08**

## ROUND-UP

Exchange	Last Traded Value (16/05/08) 12.00	Weekly Change
May Liffe	£150	-£7.00
Nov Liffe	£137.5	-£3.50
Jul CBOT (Wheat)	\$7.75	-\$0.53
Nov MATIF (Wheat)	€190	-€11.00

## SUMMARY

- European markets weaken following CBOT
- US CBOT wheat falls as corn weather improves
- USDA forecasts Global wheat at 656Million , up 8% (End St up 14mil)
- USDA forecasts Global coarse grains at 1070Mill (End St dn 7.5Mil)
- CBOT rice prices tumble as record world production looms
- Corn plantings at 51% versus 76% average
- Analysts increase Ukraine grain forecasts by 400K
- Algeria one of the main importers claims to have sufficient domestic stocks

- ONIGC raises French old crop wheat carryover stocks by 650K
- EU to extend zero import tariff for cereals
- EU weekly corn imports total 398K
- Informa raises US corn acreage estimate by 1.2 Mil acres to 87.2

## WEATHER/CROP DEVELOPMENT

- US corn belt forecasts dry out , planting confidence returns
- SE Australia receives some rainfall , more needed
- Spain receives further beneficial rain – look for crop upward revisions
- US HRW continues to receive beneficial rain

## BOTTOM LINE

The corn belt weather finally improved enabling both wheat and corn to shed some risk premium . In addition some rainfall in Eastern Australia also added to the softer tone.

Elsewhere further rainfall in China, the US and parts of Southern Europe has generally improved crops which coupled with adequately supplied old crop markets has added to the weaker sentiment. Old crop Russian prices have continued to decline , with new crop Black Sea wheat offers at approx £137 FOB.

Despite the market lacking friends it will remain extremely vigilant for any potential crop threats and while a downward trend is likely to continue without any specific weather concerns, there still remains key growing months ahead , both for wheat and corn.

