

Weekly Market Report

Week Ending 27/06/08

ROUND-UP

Exchange	Last Traded Value (27/06/08)	Weekly Change
Jul Liffe	£154	+£3.75
Nov Liffe	£153	+£5.25
Jul CBOT (Wheat)	\$8.96	+\$0.30
Nov MATIF (Wheat)	€209.25	+€4.00

SUMMARY

- European markets rally following CBOT
- CBOT wheat firms following Corn
- CBOT Corn continues to rally – Oil Supports
- Corn Crop Condition ratings improve
- IGC raises Global wheat production by 8 million
- IGC raises Global Wheat Ending stocks by 12 million to 143
- IGC cuts Global corn production by 7 million, but raises ending stocks by 2 million
- Coceral raises EU grain production from 283 to 288 million

- India raises Production forecast to 78 from 76.6 million
- CFTC given clearance to use “emergency powers” against excessive energy market speculation

WEATHER/CROP DEVELOPMENT

- US Corn belt receives additional rain
- Australia receives further showers , Argentina dry
- Northern US Plains and Can Prairies continue to get plentiful rainfall – crop conditions rise again

BOTTOM LINE

A week when almost all the wheat news was bearish , however with further rainfall in the Corn belt the Spec community returned to Corn which over spilled to wheat. Though in the final trading hour after Europe was closed CBOT wheat was sold heavily. The rally in Corn was rather perplexing as results from a detailed Corn Belt Tour showed the rain last week was needed for the majority of the crop. In addition , despite CBOT wheat futures finishing much stronger on the week , the cash prices were actually \$7/t down due to excellent yields and harvest pressure.(we are hearing more commentary in the US that the CBOT wheat contract is “ broken “) .

Today’s USDA report will set early week direction and then look for July to be volatile with the markets moving on both weather and politics !

Edward

