

Weekly Market Report

Week Ending 08/08/08

ROUND-UP

Exchange	Last Traded Value (0/08/08)	Fortnightly Change
Nov 08	£123.25	-£5.75
Nov 09	£133.5	-£5.50
Dec CBOT (Wheat)	\$7.90	-\$0.20
Nov MATIF (Wheat)	€186	-€5.50

SUMMARY

- European markets weaken –crops revised higher , Global commodity sell off
- US wheat finishes lower in volatile week
- US Corn falls £13/t on commodity sell off , Dollar strength
- Commodity index CRB falls below 200 day moving average
- Sterling rallies against Euro , follows dollar
- EU Commission raises EU Cereal crop from June forecast by 17 million (up 43m year on year)
- EU states – no plans to reinstate cereal Import Tariffs

- Ukraine reaches current wheat forecasts with 15% of crop still to harvest

WEATHER/CROP DEVELOPMENT

- UK Quality concerns increase as wet weather increases

BOTTOM LINE

A surge in the Dollar as investors flee from commodities added to Cereal market woes , with weakening oil prices putting addition pressure on the corn market and therefore wheat.

It is increasingly difficult to see where wheat gets independent strength from (possibly late deterioration in Ausi crop prospects? / Autumn planting problems? / Corn- Soya Frost / unexpected cut in US Corn Acreage by the USDA ?) , and with funds still holding massive long commodity positions unless one of the above becomes a major issue , pressure will likely continue.

Edward