

Currency:	Today	Last Week
£ / €	1.195	1.214
£ / \$	1.510	1.510
€ / \$	1.267	1.243

Futures		Today	Last Week
LIFFE Wheat	Nov-10	£118.60	£107.25
MATIF Wheat	Nov-10	£133.85	£119.58
CBOT Wheat	Dec-10	£135.35	£124.94
MATIF OSR	Nov-10	£285.73	£270.50

Ex Farm Values:	Feed Wheat	Milling Wheat 13% Gp 1	Feed Barley	OSR
Jul-10	£107.00	£121.00	-	-
Aug-10	£111.00	£131.00	£83.00	£267.00
Nov-10	£115.00	£135.00	£87.00	£274.00

UK News

With a weather bubble firmly in control of the European markets at the moment, we have seen prices advancing rapidly over the last week. Key benchmark of London Nov feed wheat has gained £15 since the end of last month as illustrated below.. Dry ground and similar conditions across Europe, have affected the French milling wheat markets underpinned by reported fund activity which has lead the rise. Markets have sustained the gains well, up to a point, but the further the rise the more opportunity exists for taking of profits and the carryout stock positions, combined with large stocks of intervention barley which have to find their back into the market as feed grain should limit the advance.

World News:

- The USDA are due to issue an updated supply and demand estimate at 1.30pm on Friday. Expectation is that the US domestic figures are broadly factored into the market, but all eyes are on updated production estimates for EU27 and Canada after recent weather concerns for dry and wet weather respectively.
- Disease risk to already hit Canadian production is also a concern as Leaf spot and fungal disease take hold under sustained conditions of high moisture in the crops. Lower yields to be expected. This situation with particular relevance to Canola has helped to fuel heavy gains in EU OSR pricing in the last week.
- Currency levels have helped underpin rising grain markets, Euro posted gains against the pound as the perceived element of risk against the global recovery receded slightly, contrary to UK jobs dated which indicated a further slowdown in the UK's recovery prospects.
- Egypt purchased 60,000t of Russian wheat in a tender at equivalent \$183.50 / tonne FOB, varying origins competed with highest price of \$203.57 for French wheat.
- HGCA lowered UK total plantings of cereals by 2% overall at 3.07m ha, mainly at the expense of barley, as wheat and osr areas were both up by 10% and 4% respectively.

Nov 2010 LIFFE Wheat Futures Price May 2010 - Present

