

Fryer's Feedgrain Report

CORN

Futures	CBOT (¢)			Ethanol	RBOB	Matif (€)	S. Africa White Mar		Dalian	May
	Mar	May	July	Mar	Mar	Mar	Zar	\$	CNY	¢/bu
Previous	380.25	388.75	396.50	1.2890	1.4047	179.75	3'088	227.14	1'855	698.5
Close Jan 28	379.75	388.25	396.25	1.2840	1.3560	179.50	3'057	223.14	1'856	698.9
Change	-0.50	-0.50	-0.25	-0.0050	-0.0487	-0.25	-31	-4.00	1	0.4
SX9/CZ9	2.39					€\$: 1.1425		\$/ZAR 13.700	\$/CNY	6.745

Fob (\$)	US 2 YC Gulf		Argentine up-river		Brazil Cargo		Ukraine		C&F Asia	Mar-Apr
	prem	\$/mt	prem	\$/mt	prem	\$/mt	prem	\$/mt	US	210-215
Mar	63	174.31	61	173.52	-	-	88	184.15	S. Am	212-217
Apr	53	173.72	50	172.54	-	-	85	186.32	Ukraine	220-225
May	55	174.51	52	173.33	-	-	89	187.89		
Jun	51	176.08	35	169.78	-	-	89	191.04		
			Peso	37.04	Real	3.768		UAH 27.80		

Crops/Weather: The S American outlook is improving, and whilst near complete dryness continues through the weekend in Brazil, the models are in increasing agreement that a pattern change in the early part of February will bring improved rainfall in central and N Brazil along with needed drier conditions in Argentina. Temperatures are warm but with no extreme heat. At the same time, S Africa has also improved with much more widespread rains over the next 10 days.

Markets: Despite the expectation of a mass of US trade data this week, and a Feb WASDE report which will include all the data that should have been released in January, CBOT corn began the week virtually unchanged with fresh news limited to the weekly export inspections which at 893kt put the season total of 846 Mbu up 56%, although this was slightly below expectations.

S American premiums were up 5¢ for old crop Argentine whilst new crop was little changed as the market awaits confirmation of the improved rainfall that will be so important for Brazil's Safrinha crop. Plantings were put at around 15% complete at the weekend, well ahead of the average 5%, and with rainfall so far running about half of average in central regions, a major improvement is required ahead of the seasonally dry winter months. The pattern change should also bring some welcome drier weather to Argentina, which along with the more than adequate soil moisture levels, should help keep production prospects close to the 40 Mmt level. Despite the weaker currency Jo'burg began the week lower on the improved weather outlook, whilst despite the 6-month highs in the Yuan, Dalian is flat on the week following last Friday's bounce.

In Europe, Matif corn slipped 50¢, Fob premiums remained offered but found no bids, and weekly EU imports rose another 500kt, keeping the Oct-Sep cumulative still up 63% on last year against the USDA's projected 14% increase (see last night's wire). In the Black Sea, Ukraine premiums remained firm and the Brussels' data suggested that Ukraine took almost 100% of this week's EU imports.

Outlook: A pattern change in S America, US export sales data on Thursday (at least partial), a fund update Friday and next week's USDA report which will include all the January data - will be very welcome for a trade starved of input for 5 weeks. But the permutations are many and next week in particular could see some considerably increased volatility. Overnight down a penny.

FEED BARLEY

OATS

Fob US\$	French/EU	UK	Black Sea	W Aus	Argentina	C&F Saudi	Argentina	Chi (¢)
50kt		25kt			BB/Neco		Malting	H
Mar	231.64	227.67	233-238	235.00	212-218	255-260	245-255	291.00
Apr	232.31	229.51	233-238	238.00	214-220	255-260	-	285.50
May	233.68	231.35	233-238	241.00	214-220	-	-	-5.50
Jun	235.63	233.20	-	-	-	-	-	

Crops/Weather. The European maps continue to lift temperatures quite significantly with only some central EU regions seeing below zero readings, with the whole of Russia now much above normal. Precip in the EU is near normal except in those coldest areas of Germany and Poland where dryness persists, and Russia and Ukraine also look dry. Snow cover is lacking in S Russia, Romania, W Poland and most of Germany, and is totally absent in France. N Africa has showers in the east, Turkey is mostly dry, the Middle East has showers.

Brussels: EU weekly shipments were again just 26kt and the season total 2.81 Mmt is now 7% below last year (see last night's wire for details).

Markets: EU premiums were nominally unchanged although UK values slumped taking Fob values to around \$5 below other origins. We heard nothing fresh on the Black Sea values although there were reports that Iran in fact bought two cargoes at last week's tender at around \$270 C&F. There were no changes either to S Hemisphere values but the heat wave in Australia continues further threatening the sorghum crop. Aussie sorghum is around \$100 above US into China, bringing additional headaches for the Chinese.