

Wheat

Crops/Weather: The N Plains and upper Midwest have near record snow cover, the south-east and Delta got additional heavy rains, the W Plains were dry and temps everywhere stayed cold. The first national crop ratings of the season put US winter wheat at just 32% GD/EX against 51% a year ago. Canada remained extremely cold with plantings due to start in just a few weeks but Europe turned much warmer. The east and Black Sea were dry but rain persisted in the west and this pushed across into N Africa. Turkey and the Middle East also got showers, India was hot and dry. Argentina has some much needed rain next week but Australia stays dry and hot.

Brussels: Weekly EU all-wheat shipments of just 171kt left the season total down 25% at 15.9 Mmt. Soft wheat will struggle to make 18 Mmt this year whilst all wheat will be around 19.5 Mmt.

Trade: Algeria bought 330kt June at \$229, the Philippines bought 224kt July-Aug feed at \$243 for Aussie and \$219-224 for EU/Black Sea. US inspections were 362kt (season total 730 Mbu, down 9%) sales were just 109kt (season total 840 Mbu down 14% against USDA's 12% decline). Australia was the lowest at Sunday's Iraq tender at \$300.75.

Markets: US wheat futures ended the week 20-40¢ higher essentially on increasing weather concerns. The Plains can expect another 2 weeks of near complete dryness, excessive rains will continue in the SE and Delta, and the weekend will bring more snow to the upper Midwest. Weekly export sales did however once again highlight the extent to which US exports are struggling to meet even the reduced USDA number, and this will be an increasing factor going forward with new crop commitments already at 6-year lows. The USDA report had shocked the market with a much bigger than expected spring wheat acreage, which had sent M'polis wheat futures to near 11-month lows, but the cold and record snow cover, plus the lowest HRW ratings in 16 years (and the 3rd lowest ever) lifted 11 three US markets. However SRW is level money with French, HRW Ords are \$20 over Russian 11.5 pro and HRW 11 is \$20 over Russian 12.5 pro, suggesting they will all continue to struggle to find incremental export demand.

Argentina Fob and domestic values were little changed, but the rains that are slated for next week could give a considerable boost to wheat acres, which farmers are currently saying will see a major decline as soil moisture is not sufficient for seeds to germinate. But whilst the rain will be very welcome, much more will be needed to get soil moisture levels back to normal after a historic 6-month drought. Aussie futures rose \$2-3 but Fob was little changed with the export program just about over. And here too the focus turned increasingly to the weather which remains hot and dry with the planting season approaching. China spiked \$13 following the previous week's contract lows.

Matif wheat closed higher helped by the US rally, the Euro and Algeria, whilst premiums were firm on the rail strike and high river levels. But another poor week of EU shipments kept a lid on the rally and the season is rapidly drawing to a close with still much uncertainty about 2017 crop size and 17/18 end stocks.

The rally in US/KC futures sparked a bounce (and big volume) in CME Black Sea new crop futures on active spreading which put Russian 12.5 pro at around +5 KWZ Fob against HRW 11 pro at around +100 KWZ. In Black Sea cash markets, Russian 12.5 pro ended at \$210 for April with May offered at the same price and the 11.5 pro discount still around \$6. Old crop feed was around \$200 against Baltic offers at \$195, the new crop bid-offer spread on Black Sea feed firmed to \$185-190 following the Philippines purchase, whilst 12.5 pro remained at \$196-200 for Aug plus \$2 per month. The Russian Ruble shed 1.7% and the Turkish Lira hit record lows. Russian 12.5 pro remains \$5-10 below German/Baltic values and around \$20 below the equivalent US HRW Fob price, and as exporters have to go ever further inland to source the wheat, there appears to be little reason for the Russian market to go down. Spring plantings are running behind last year but it is still early and the updated weather maps suggest conditions are improving (warmer and drier).

Outlook: The USDA does not address the world new crop S&D until May, whilst the 'by-class' split - and the scale of rationing required in the HRW S&D, does not appear until July. Dryness in the S Hemisphere and possible late spring wheat plantings in N America suggest there are 2-3 months of important weather ahead, meantime downside potential looks limited.

Weekly Changes

US Wheat	CBOT ¢	KC ¢	M'polis ¢	SRW May		HRW 12 May		White May	HRS May	China
	May	May	May	prem	Fob	prem	Fob	PNW	PNW	May
Close Mar 30	451.00	467.25	578.50	95	200.63	195	243.35	220.00	275.00	2513
Close Apr 6	472.25	506.75	607.25	105	212.11	195	257.86	226.00	285.00	2597
Change	21.25	39.50	28.75	10	11.48	0	14.51	6.00	10.00	84
Milling \$	Argentina	APW	ASW	Russian 25kt	France	UK	Germany	Aussie Futs May 18		
May	12.pro	WA	WA	12.5 pro	11.5 pro	11 pro	12.5 pro	A\$	US\$	AS/US\$
Close Mar 30	215-225	235-240	228-233	209.00	209.13	219.10	214.06	273.50	210.46	0.7695
Close Apr 6	220-230	235-240	228-233	210.00	211.83	221.29	218.58	277.00	212.87	0.7685
Change	5.00	0.00	0.00	1.00	2.70	2.19	4.52	3.50	2.42	-0.13%
Milling \$	12.5 pro	Russian	Ukraine	Feed \$		Matif (€)	CME (\$)	Liffe (£)		€/\$
May	Baltic	\$/Rouble	\$/UAH	May	UK	Ukraine	May	May	May	
Close Mar 30	212.21	57.19	26.32		213.48	199.00	163.75	208.25	143.00	
Close Apr 6	216.74	58.16	26.00		215.65	199.00	167.00	210.25	145.10	
Change	4.53	1.69%	-1.20%		2.17	0.00	3.25	2.00	2.10	

Corn

Crops/Weather: Argentina was again dry, and dryness in southern and NE Brazil was an increasing concern. Rain/snow and cold persisted in the Delta and south-east US, with near record snow cover in the upper Midwest, whilst Europe turned warmer but with ongoing rain in the west.

Markets: CBOT corn ended a week of mixed news little changed. US planting conditions remained unfavorable, export sales at 898kt were low although the season total 1,865 Mbu remained down just 3% on last year and in line with the USDA, ethanol production was unchanged on the week with stocks down 1.5%, but China's threatened US import tariffs included a hike for ethanol from 30% to 45%, which if enacted would effectively kill the business. The other possible direct impact of the Chinese tariffs was the extent to which farmer planting decisions might be impacted. Argentina domestic and Fob values were firm, but BAGE left the Argentine crop unchanged this week at 32 Mmt (USDA 36 Mmt), with harvest 18% complete against 11% last year. And S American market focus is increasingly turning to dryness in south and NE Brazil as the world corn market cannot afford any further significant losses in Safrinha production with the current USDA Brazilian crop number already 5-7 Mmt above 'local' estimates. There were rumours of US corn being sold to Brazil, Brazil's March exports were put at 605kt against 1.25 Mmt in Feb and just 243kt in March of last year. Jo'burg ended higher as the weak Rand offset the favorable (wet) weather, Dalian ended flat in a short holiday week.

Matif old crop made a 5-month high close despite another 336kt of weekly imports keeping the EU on track for a near 20 Mmt annual number. The rail strike and high river levels kept cash premiums firm, whilst ongoing rain in France kept farmers out of the fields. In the Black Sea demand for non-GM Ukraine corn continued with volume enquiries from China, Iran and Turkey amongst others, and the coming weeks look favorable for corn planting in central Europe and the Black Sea (but much less so in France).

Outlook: Next week's USDA focus will be on S American crops and the trade matrix (2018/19 S&D's are not available until May). US weather/plantings should keep a floor under the market, but whilst the US-China dispute is of limited direct concern, politics are by nature unpredictable. Here too, downside looks limited barring some political screw up.

Weekly Changes

Futures	CBOT (¢)		Matif (€)		€/\$	J'bur White	\$/ZAR	Dalian May		
	May	July	June					CNY	¢/bu	
Close Mar 30	387.75	396.25	164.50	1.2320		1'913	11.830	1785	723.1	
Close Apr 6	388.50	397.00	167.50	1.2280		1'971	12.025	1786	719.4	
Change	0.75	0.75	3.00	-0.32%		58	1.65%	1	-3.7	
								\$/CNY	6.306	
Fob (\$)	US 3 YC Gulf		Argentine U/R		Brazil May		Ukraine May		C&F Asia	May-Jun
May	prem ¢	\$/mt	prem ¢	\$/mt	prem ¢	\$/mt	prem ¢	\$/mt	US	222-227
Close Mar 30	83	185.33	93	189.27	n/a	n/a	132	204.63	S. Am	225-230
Close Apr 6	105	194.29	96	190.75	n/a	n/a	127	202.95	Ukraine	240-245
Change	22	8.96	3	1.48	n/a	n/a	-5	-1.67		

Barley

Crops/Weather: Canada was snowy and very cold, but Europe turned progressively warmer everywhere whilst staying dry in the east but wet in the west. Showers continued in N Africa, Turkey and the Middle East, Argentina was dry but has rains next week, whilst Australia was completely dry with temps above normal.

Brussels. The weekly update showed just 14kt of EU barley shipments last week, leaving the season total of 4.4 Mmt up 7% on last year.

Markets: EU Fob values rose around \$3 on old crop, whilst the bid-offer spread on new crop French Chinese specs ended at \$207-212. French spring plantings were put at 68% complete and way below last year's 99%, whilst winter barley ratings were down just one point on the week at 75% GD/EX.

Old crop Black Sea barley looked a little easier with Chinese specs reportedly buyable for a panamax at \$218, a level which would put standard paper around \$215, otherwise the market was quiet ahead of the Orthodox Easter holidays. Jordan passed yet again and returns Apr 17 for 100kt. Spring plantings in the Black Sea are also running well behind last year.

S Hemisphere Fob values were unchanged all week whilst Canadian cash was not quoted.

Outlook: EU/Black spring plantings, S Hemisphere dryness and Canadian snow/cold will all be watched carefully in the coming weeks. With the start of plantings for both the S Hemisphere and Canada only a few weeks away, the world's 2018/19 barley S&D cannot afford any major weather issues.

Weekly Changes

Fob US\$	Weekly Changes							Oats
	French/EU	UK	Black Sea	W Aus	Argentina	C&F Saudi	Canada	Chi (¢)
Apr 50kt		25kt			BB/Neco		Dom C\$	K
Close Mar 30	216.52	223.32	212-220	227-232	215-220	245-255	244.00	225.00
Close Apr 6	219.81	226.93	210-215	227-232	215-220	245-255	244.00	233.25
Change	3.29	3.61	-5.00	0.00	0	0	0.00	8.25

