

Fryer's Wheat Report

		Chicago/SRW			Kansas/HRW			M'polis/HRS		Aus	China
US Futures	July	Sep	Dec	July	Sep	Dec	July	Sep	Jan 19	Sep	
Previous	522.00	539.00	558.25	540.75	559.25	583.25	611.50	619.25	327.00	2554	
Close May 31	526.25	543.00	562.75	542.50	560.75	584.50	612.00	619.75	327.50	2574	
Change	4.25	4.00	4.50	1.75	1.50	1.25	0.50	0.50	0.50	20	

US Fob	2SRW (Gulf) prem	\$/mt	White Wht PNW	HRW 12 Gulf prem	\$/mt	2HRS 13.5 pro PNW	Lakes	Matif Sep	CME B Sea May
Jun	80	222.77	227.00	165	259.97	275.00	245.00	Previous 180.25	207.00
July	80	222.77	226.00	165	259.97	276.00	246.00	Close May 31 182.75	205.50
Aug	70	225.25	225.00	155	263.01	277.00	247.00	Change 2.50	-1.50
Sep	70	225.25	225.00	160	264.84	278.00	248.00		

Other Fob	Arg 12% Up River	APW WA	ASW WA	France 11.5 pro	UK 11 pro	German 12.5 pro	Baltic 12.5 pro	Russian 12.5 5kt	25kt	Egypt C&F
Jun	-	250-255	245-250	210.96	227.17	212.12	212.12	186.00	207.00	225
July	-	250-255	245-250	212.27	229.02	214.14	213.87	181.00	202.00	220
Aug	-	-	-	213.04	225.53	218.80	215.91	181.00	202.00	220
Sep	-	-	-	214.40	227.38	220.25	217.07	183.00	204.00	222
Peso 24.96		A\$ 0.7565		€\$ 1.1655			Rub 62.31			

Feed Fob \$	UK	France	Ukraine	Feed Wht	Corn	Baltic Freight Indices		
						May 31	May 30	Change
Jun	217.87	n/a	195.00	225-230	220-225	Panamax 1160	1149	0.96%
July	219.70	n/a	187.00	220-225	220-225	Handy 583	584	-0.17%
Aug	216.19	n/a	187.00	220-225	220-225	Dry 1090	1042	4.61%

Crops/Weather: There is again little change heading into the weekend with temperatures across the US remaining above normal whilst rains stay confined to the N Plains and Midwest. Elsewhere it will stay dry and this dryness will expand to almost all regions next week. Good rains and near normal temps will continue across most of Canada's growing regions whilst Europe remains very wet in the west, and dry in the Black Sea, with the former now causing almost as much concern as the latter. Russian spring wheat regions look a little drier in this morning's run but temps remain unfavorably cold, whilst hot dry conditions and low soil moisture are also becoming a concern in NE Europe. Precip in Argentina is being pushed out east and temps have dropped sharply with some frost/freezes occurring. Australia still looks completely dry in the east but some showers have occurred in the west, India's monsoon continues to progress normally.

Brussels: Weekly EU shipments of 260kt put the all wheat total at 20.3 Mmt, lifting the annualised pro rata slightly above 21 Mmt.

Trade: There were no details on Algeria but the buyer and sellers were reported to be far apart with the former wanting to repeat the \$228 of last time whilst sellers were "much higher". US weekly export sales are expected near zero for old crop and 150-450kt for new crop.

Markets: It was a mixed day for world wheat markets with US futures up just 1-4¢, Matif up around 11¢ whilst CME Black Sea futures were actually lower on the day. Trade issues still sit in the background, not only on Ags but on the wider stage following yesterday's US move on steel and aluminium, but wheat for now is essentially about weather and with the exception of Canada, there is very limited indication of any real improvement in any of the various trouble spots (US Plains, Russia, Australia and increasingly the EU).

And all is not perfect in Argentina where BAGE put plantings at 8% complete against 11% last year due to ongoing excess water plus the recent rains, although this does relate to BAGE's projected 7% increase in total acreage to 6.1 mHa. The AgMin's first acreage figure is very similar at 6.15 mHa (although they see this as a 4% increase), whilst the USDA's harvested acreage is 6 mHa, up 7%. Argentine Fob values were little changed, the nearby domestic market fell \$4 whilst new crop was firm. Aussie futures are little changed today but still up on the week and will make a contract high weekly close, with rain still more on the radar than in the gauge.

China looks like it will make its highest weekly close since late January following the Govt's announcement of a halt to state auctions for wheat produced between 2014 and 2016, plus a tightening of their criteria for future purchases.

Matif closed higher and cash premiums were also unchanged to firmer as weather concerns appeared to take hold on a wider basis. Heavy rain and hail storms over W Europe reportedly did some damage, and there was increased focus on the hot dry conditions in the north-east where soil moisture levels are low.

And there was no visible improvement in the Black Sea although the cash markets were once again ill-defined. The only confirmed trades were LH July feed at \$187 and Ukraine 12.5 pro for August at \$200 (done on Wednesday), whilst the bid-offer yesterday for Russian 12.5 pro was \$200-203. Further out there were no firm markets. Black Sea winter wheat yields are being trimmed and the cut-off date for Russian spring planting has already arrived in certain regions with some 35% still to plant.

Outlook: Production potential is being trimmed in all the major exporters, Russian wheat remains easily the world's cheapest, and farmers will likely remain tight sellers. Overnight is unchanged.