

# Fryer's Wheat Report

		Chicago/SRW			Kansas/HRW			M'polis/HRW		Aus	China
US Futures	Dec	Mar	May	Dec	Mar	May	Dec	Mar	Jan 19	Jan	
Previous	517.50	536.00	547.25	521.00	544.25	556.75	577.50	592.00	448.00	2554	
Close Sep 27	513.00	530.75	541.25	517.25	540.50	553.25	580.00	594.00	443.00	2560	
Change	-4.50	-5.25	-6.00	-3.75	-3.75	-3.50	2.50	2.00	-5.00	6	

  

		2SRW (Gulf)		White Wht	HRW 12 Gulf		2HRS 13.5 pro		Matif	CME B Sea
US Fob	prem	\$/mt	PNW	prem	\$/mt	PNW	Lakes	Dec	Oct	
Oct	70	214.23	228.00	130	237.83	253.00	223.00	Previous	201.25	249.00
Nov	80	217.90	230.00	140	241.51	255.00	225.00	Close Sep 27	200.75	250.00
Dec	90	221.57	232.00	145	243.35	257.00	227.00	Change	-0.50	1.00
Jan	80	224.42	234.00	130	246.38	259.00	-			

  

Other Fob	Arg 12%	APW	ASW	France	UK	German	Baltic	Russian 12.5		Egypt
	Up River	WA	WA	11.5 pro	11 pro	12.5 pro	12.5 pro	5kt	25kt	C&F
Oct	-	-	-	238.73	247.68	240.32	238.86	202.00	225.00	244
Nov	-	-	-	240.41	249.57	242.38	240.61	210.00	233.00	252
Dec	220	278	270	242.10	251.45	244.45	242.36	218.00	241.00	260
Jan	225	278	270	243.75	253.34	246.81	244.40	226.00	249.00	268

  

Peso	40.00	A\$	0.7225	€\$	1.168	Rub	65.43
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C&F Asia				Baltic Freight Indices					
Feed Fob \$	UK	France	Ukraine	Feed Wht	Corn	Sep 27	Sep 26	Change	
Oct	238.51	n/a	208.00	235-245	200-205	Panamax	1689	1677	0.72%
Nov	240.37	n/a	210.00	245-250	200-205	Handy	627	626	0.16%
Dec	242.24	n/a	218.00	255-260	200-205	Dry	1524	1503	1.40%

**Crops/Weather:** This morning's maps have US precip mostly confined to the upper Midwest, and they have also backed away from yesterday's much colder outlook with any risk of frost/freeze now confined to the N Plains. Cold temps do persist across Canada however with ongoing snow, whilst Europe remains dry everywhere except the Baltic. Temps are cooling somewhat but remain above seasonal norms. Argentina continues to see showers, Australia has rain in the west but the east remains dry.

**Trade:** US weekly export sales were 617kt lifting the season total to 395 Mbu, down 20% on last year (and once again the gap narrowed by 1-2 percentage points from last week). Jordan passed (they got just 2 offers but we didn't get the levels).

**Markets:** Despite weekly export sales that were a marketing year high, CBOT and KC wheat futures still closed lower ahead of today's stocks report which is expected to be slightly negative at around 140 Mbu above last year. In addition, soil moisture for winter plantings is overall favorable, but M'polis managed minor gains, helped by the Saskatchewan crop update which reported harvest being slowed by cold wet weather. The durum harvest was put at 82% with spring wheat at 53%, but much of the rest of the crop was reported as lodged with quality in decline amidst the forecast for ongoing cold wet conditions.

There was no change in Argentina although some of the driest central areas did see a little rain. The 12-12.5 protein spread still remains at a wide \$12 (on the sell side), with 10.5 and 11.5 pro close to level money at around \$218 or \$5 below the 12 pro. And once again we would point out that French wheat for Dec-Jan is currently in excess of \$240 Fob, and will need to be significantly discounted in order to do any 2019 Algerian business (always assuming of course that Argentina makes the quality).

Aussie futures are trading lower this morning and will end the week down marginally in reaction to the wetter forecast in WA for next week. The east however remains dry although the 3-week forecast does hold out hope of much better rain, but this is too far out for any real confidence. The argument over the crop size goes on, as does the size of Aussie exports as domestic markets continue to pay much better prices than the export market.

Matif traded both sides of unchanged before closing slightly lower, EU premiums also continued to ease, the French trade is increasingly pointing to the lack of export demand whilst the German/Baltic market reportedly expressed disappointment that no one asked for any backing at last week's Turkish tender. Simply put, it's because they are all too expensive, but the difficulty arises from the interior paying a better price than the export market.

The Black Sea rose another couple of dollars with a confirmed trade of Russian 11.5 pro for LH Oct at \$215, whilst November 12.5 pro was bid by consumers at \$230 against offers at \$235. The Black Sea maps in last night's wire suggest ongoing problems for Russian spring wheat harvest, whilst there is no let up to the dry conditions for winter planting across Europe and the Black Sea.

**Outlook:** It should be a quiet day ahead of tonight's USDA report (although the end of the month/quarter may bring some activity), after which attention will turn to N Hemisphere winter plantings, spring wheat harvesting in Russia and Canada, and the extent of the losses in Australia. Overnight is unchanged.