

Fryer's Wheat Report

		Chicago/SRW			Kansas/HRW			M'polis/HRS		Aus	China
US Futures	Sep	Dec	Mar	Sep	Dec	Mar	Sep	Dec	Jan 18	Jan	
Previous	403.50	429.75	452.75	400.25	429.25	447.50	633.25	655.75	253.00	2705	
Close Aug 31	410.25	434.50	457.00	408.75	436.25	454.00	618.50	640.50	253.00	2705	
Change	6.75	4.75	4.25	8.50	7.00	6.50	-14.75	-15.25	0.00	0	

		2SRW (Gulf)		White Wht	HRW 12 Gulf		2HRS 13.5 pro		Matif	CME
US Fob	prem	\$/mt	PNW	prem	\$/mt	PNW	Lakes	Previous	Sep	Sep
Sep	110	191.17	198.00	195	221.85	280.00	250.00		154.50	151.00
Oct	85	190.89	200.00	170	222.77	283.00	253.00	Close Aug 31	155.75	154.00
Nov	87	191.63	202.00	170	222.77	286.00	256.00	Change	1.25	3.00
Dec	85	190.89	204.00	170	222.77	289.00	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
Sep	180-188	230	224	189.74	199.87	197.80	191.86	150	181	199
Oct	-	232	226	191.43	200.69	199.58	194.24	151	182	200
Nov	-	-	-	193.13	201.51	201.37	196.61	153	184	202
Dec	170-176	-	-	194.83	202.32	203.15	198.99	154	185	203
Peso 17.37		A\$ 0.793		€/\$ 1.188			Rub 58.06			

		C&F Asia				Baltic Freight Indices			
Feed Fob \$	UK	France	Ukraine	Feed Wht	Corn		Aug 31	Aug 30	Change
Sep	186.98	n/a	162.00	188-193	182-187	Panamax	1195	1195	0.00%
Oct	187.83	n/a	163.50	190-195	182-187	Handy	482	482	0.00%
Nov	188.67	n/a	165.00	192-197	182-187	Dry	1181	1181	0.00%

Crops/Weather: Rain in the US remains confined to the south-east, Delta and Atlantic coast, with the rest of the country staying dry. The unknown over the coming days will be the path of Irma which looks like another strong and potentially dangerous storm, and temperatures will remain below normal in the eastern half of the country. There is again no change to the warm dry conditions in Canada, whilst rain in Europe is slowly moving further east with temps mostly near normal. Argentina will see more rain in the east and north-east, showers in Australia will be mostly concentrated in the south-east, and temps remain well below normal with more overnight frosts. India's monsoon continues to push north and east leaving dry conditions in the center and west.

Brussels: Weekly shipments were 184kt (after another adjustment to the previous week of 200kt), leaving the season totals of both soft wheat and all-wheat down 52% on last year (see last night's wire for details).

Trade: Tunisia bought 2x25kt Nov at \$193.50. US export sales were 536kt for a season total 440 Mbu, still slightly ahead of last year's 435 Mbu. HRW accounted for 55% of the total with HRS a further 22%.

Markets: KC and CBOT saw a short covering bounce ahead of the long weekend but M'polis fell to new lows for the move following the Stats Canada crop report. Statscan put the total wheat crop at 25.5 Mmt, down 6.2 Mmt on last year, but the shock came in the durum crop which at just 3.9 Mmt was exactly half the level of last year. That left the non-durum crop at 21.6 Mmt, a smaller than expected decline on last year's 23.9 Mmt, and this brought the selling pressure to M'polis futures. It should also be noted that the August Stats Canada estimate has been too low for the last 9 years and thus yesterday's number could finish higher (next week brings the Canadian end season sticks report), although clearly the world durum S&D has some significant rationing to achieve. US durum export sales are currently slightly ahead of last year against USDA's projection for a small decline.

There was little change to Argentine Fob values yesterday, but BAGE's weekly report suggested that excessively wet conditions were threatening one third of the crop. Old crop farmer sales were just 115kt last week taking the season total to 15.8 Mmt (9.2 Mmt last year) of which exporters own 11.8 Mmt (6 Mmt last year). New crop farmer sales stand at 3.1 Mmt against just 900kt a year ago. Aussie old crop Fob is showing little change heading into the weekend but futures are slightly lower although the forecast through mid-September (which is the critical month) still looks generally dry and temps remain cool enough to cause concern. China is unchanged this morning but will likely make its highest weekly close since late April.

The Euro fell back below 1.19 which along with the bounce in the US helped Matif to gains of €1-2, but Brussels weekly update showed EU shipments still running 52% below a year ago, with seemingly no chance of generating the demand necessary to make the USDA's projected 13% annual increase. Shipments for the rest of the season would have to reach 27 Mmt against 20.5 Mmt last year which looks highly unlikely, all of which suggests a significant build in EU stocks. Tunisia's purchase looked like around \$1 below Black Sea 11.5 pro replacement, and overall the Black Sea market was little changed yesterday.

Outlook: The N Hemisphere winter planting season is almost upon us with the Ruble at 10-week highs and EU farmers reportedly looking at prices which are below their cost of production. The market will watch tonight's CFTC report ahead of the long US weekend, September is a key month for Aussie wheat growth, and if there were a durum futures market, it would be trading limit higher. Overnight is up 2¢ in KC and Chicago, but down 2¢ in M'polis.