

05/05/2021



中粮国际
COFCO INTL

Wheat Flags

Influence on wheat prices

Dryness in Canada & Northern Plains



Ongoing Production Concerns for Safinha Corn



EU Rains



Markets have been incredibly volatile over the past week with corn being the centre of attention for fund buyers.

Focus is on the deteriorating Safrinha corn crop in Brazil with dry conditions set to continue and temperatures warming up. The crop has been under the microscope for some time as it was planted late and has suffered stress from a lack moisture. Production estimates vary, but any further reductions will add more support as other origins have limited capacity to make up any deficit.

On the flip side, South American soybean crops have fared better, and production estimates have been increasing with bigger than anticipated yields.

Weather in the US is also being monitored with dryness an issue for the Northern Plains and Canada. Planting progress, however, has not been hampered with spring wheat and corn advancing faster than the trade anticipated.

In the EU, rains have helped to alleviate dryness concerns that had started to develop in some regions. With more forecast this week, the EU still looks set to see a sizable rebound in production over last season.

Weather will continue to be the major factor for markets with attention centred around Brazil. Any downside feels limited in the short term but with funds holding big positions and a USDA report next week, expect volatility to remain.

If you no longer wish to receive this communication, please contact:
ukmarketing@cofcointernational.com