

06/11/2020

## Wheat Flags

Influence on wheat prices

### La Nina Impact in South America



### Dry Conditions in the EU, Aiding Final Planting



### Ongoing Influence of Covid-19 on Global Demand



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Grain markets remain choppy but with underlying support still in place from weather.

In the US, whilst rain has favoured eastern HRW areas and more is forecast, the main/larger western HRW production regions are only seeing lighter volumes which are not enough to help dry conditions.

Planting in principal production areas of Russia is now more or less complete. Attention is switching to snow cover levels and any forecasts of extreme cold as the crop is not in ideal shape to handle winterkill threats.

The EU is expected to benefit from a dry period which will enable final planting efforts for winter crops to be completed. With the rains over last month, soil moisture levels are fully charged and will aid early crop development. All being well, the EU is forecast to see a big rebound in wheat production of about 15Mmt over this current season.

One of the big supports this week has been from the La Nina weather pattern and its impact in South America. Soybean markets have been exceptionally strong which has spilled over into grains. Despite some recent rainfall events, they have failed to deliver enough precipitation for southern Brazil and Argentina where key dry areas are in decline.

On the macro side, it was of course, all about the US Presidential race. In particular, the reaction of the foreign exchange markets, the sharply weaker Dollar having a beneficial impact on any grain priced in USD.

The final US Election result seems close with just a handful of states up for grabs to determine the result (Biden leading Trump at the time of writing). Markets will therefore continue to be volatile whilst results are digested.

Weather will be closely watched and remain the key driver for the time being whilst Covid-19 restrictions on global demand will be assessed. In the UK we keep waiting for news on Brexit trade deal developments.

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