

23/06/2020



中粮国际
COFCO INTL

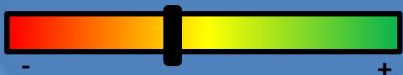
Wheat Flags

Influence on wheat prices

Benign Global Weather



Improving EU Yield Prospects



US Corn Crop Potential



Markets have been under pressure with relatively benign weather conditions for most of the major grain producing countries.

In the US, CBOT wheat has fallen sharply with a large round of fund selling due to harvest picking up pace and better than expected US winter wheat yields.

After the dry conditions seen in March through to May, June weather has been much more friendly for crop development across most of the EU with yield expectations increasing particularly over Central-Eastern Europe. With harvest underway, we are running out of road for a large-scale weather-related wheat crop issue to support EU prices.

From a UK perspective, although the crop could no doubt benefit from further rains, domestic price direction will be dictated by currency and international markets as we are currently more or less at import parity for wheat.

Prospects for Russian production are not helping the current sentiment. After talk a few weeks ago about a 75m tonne Russian crop with potential to go lower, more analysts are now moving their ideas closer to 80m as recent weather conditions there have been close to ideal.

Over the coming weeks, US corn will start to gain more market attention as the crop enters its critical growth stage. Any excessive heat or water shortage at this time of the season will have a negative impact on yield potential. Currently, the forecast looks favourable and the US is set to produce a record crop. However, any change in the weather will be closely followed by the trade.

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