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## Wheat Flags

Influence on wheat prices

### US Corn Crop Condition



### Chinese Demand



### Sterling vs Euro Strength



Last week markets started weaker largely due to estimated crop increases in Russia, Australia, and Canada. However, by the end of the week those losses had been cancelled out. Markets gained strength through reports of Chinese interest in US wheat, dry conditions in Argentina affecting crop ratings (at only 20% compared to 50% last year) and the weakening of Sterling/Euro against the Dollar.

Prices have since been supported through reports of declines in US Corn due to ongoing dryness, crop conditions came in at 64% good/excellent which is down 5% on the week which was below trade expectations. Chicago Corn crept higher on the confirmation that China bought 408kt for 20/21, which has led to an increase on US Corn prices by almost \$0.30. UK markets have also increased in price although not quite to the same extent due to currency strength.

Sterling has traded up to the peak of its August ranges today V's Euro at 1.118 at the time of writing. This is, however, likely to become volatile over the next 24-48 hours with US Federal Reserve Governor Jerome Powell to address potential changes to "Monetary Policy" and given the events throughout 2020, markets will be paying more attention to any shifts.

The trade will be keeping an eye on unwanted weather issues affecting crop condition globally. In the UK, with a lack trade and selling, premiums will start to creep higher against futures.

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