

Market Report 02/11/2010

There is precious little news to impart tdy as everything and everyone appears to be focused on the US and tdy's mid term elections and the Fed's meeting this week and possible further economic stimulus and whatever impact it may have on the Dollar. The CBOT closed higher for sboil by some 45/50 points but was largely unchanged for sbns. The overnight is showing nominal gains for beans and losses for sboil.

Corn prices reached a 26 month high this week on the weaker Dollar and expectation of dryness over the central plains for the next 10 days.

Argentina on the other hand is well ahead with plantings of the new crop due to good and consistent rains over the past few weeks. Soyaoil prices are up 29% year on year as prices for most vegoils are not far off the levels we saw in 2008.

The main difference is mineral oil at that time was over USD 140 a barrel for US crude and not the 83.20 it is trading at this morning. Respective Governments will have to rethink their plans with regards to Bio energy to stop a battle developing between food and fuel with ever increasing demand for vegoils as a feedstock. Price rationing will come into play in 2011 as demand for vegoils will outstrip supply.

Palmoil levels continue to increase towards the Rggt 3,100 level on the Malaysian futures exchange (trading tdy at Rggt 3092 +8) CIF Rdam cpoil is following everything else upwards at the moment with the market marked up ydy by USD 10/15 at 1060 Nov 1050 Dec 1047.50 Jan thru June (when US crude was trading at 1045 a barrel in '08, cpoil CIF Rdam was 1250)

European rapeoil was easier ydy by 5/8 Euros at 860 FMA 870 MJJ 855 ASO

