

## Market Report 13/10/2010

The market continues its upward spiral with corn again reaching new (2 year) highs and monies continuing to flow into commodity funds with the prospect of more quantitative easing from the US Fed next month, better equities, and the Dollar continuing to ease across the board.

2011 planting intentions could be interesting as sbns will have to keep pace with corn in the scramble for acreage.

The CBOT closed up 55/65 points on sboil and 25/26 cts on sbns, and the overnight market is showing further increases of about 50% of these gains. Lack of rains particularly in Brazil continue to be an issue with the key Mato Grosso region showing plantings of only 3% this year compared with 12% a year ago.

China will once again accept shipments of Argentine sboil which have been suspended for the past 6 months, but volumes will be small due to limited supply at origin and unattractive prices for the purchaser.

Sbn stocks in China however need further additions despite imports in Oct/sept '09/10 being up 22% year on year in excess of 50 Million MT. Imports for September alone were 4.63 Million MT with Government sources indicating imports in excess of 4 Million MT for both October and November will be required. Palmoil reached a 27 month high this week with RBD Olein FOB Malaysia trading at the USD 1.000 pmt level.

The Malaysian futures market is unchanged tdy at Rggt 2900 for the key benchmark third position. CIF Rdam cpoil was offered just off the recent highs at USD 990 October 982.50 N/D 980 JFM.

Malaysian Biodiesel exports have plummeted by 75% to only 19,000MT July/Sept 2010 and halved Oct/Sept '09/10 to 123,000 MT as little incentive exists to export/manufacture PME with cpoil at the above levels.

Pakistan has substantially increased its purchases of palmoil as a result of the recent floods with August imports of 203,000MT up 50% from Aug '09. Mineral oil is better tdy with US crude trading at USD 85.59 a barrel, but still remains at this time divorced from the rally in vegoils.

European rapeoil was unchanged ydy offered at Euros 815 NDJ 820 FMA 825 MJJ