

Market Report 19/10/2010

The Dollar seems to have found some friends over the last few days and comments by US Treasury Secretary Geithner appeared to be constructive towards the currency halting (temporarily at least) the decline which has been one of the principal movers of most commodity markets upwards over the last few weeks.

Weaker agricultural markets in the US and solid overhead resistance pushed corn prices down to a 1 week low and pressurised wheat.

Rains in S.America have finally increased soil moisture, and plantings in Brazil whilst still behind historical averages for this time of year in many key states are finally beginning to play catch up. However the delay will mean that importing countries for sbns who need goods to arrive in the first few months of 2011 will be more dependant on US origin than is the norm.

The CBOT closed nominally lower for sboil and unchanged/mixed for sbns, whilst the overnight market is showing modest gains for both.

Other supportive factors were continued Chinese purchases of sbns and better than expected weekly export figures.

Palmoil failed at its recent attempt to breach the Rggt 3,000 level on the Malaysian futures exchange after rallying more than 200 Rggt over the past week or so, closing down ydy Rggt 47 but is improving so far tdy trading +24 at Rggt 2889

CIF Rdam cpoil was also quiet offered at USD 1,000 Oct 985 N/D 977.50 JFM. Mineral oil gained about 2% ydy as the product market is tightening with many eyes also on the distribution situation in France currently facing industrial action by tanker drivers.

US crude is trading tdy at USD 82.87 a barrel.

European rapeoil was offered some 5/7 Euros lower ydy at 850 NDJ 830 FMA 835 MJJ