

Market Report 30/11/2010

Agricultural prices were lower ydy as the market came back to life following a quiet period at the end of last week for the US Thanksgiving Day holiday.

Financial problems in the EU continue to dictate the fortunes of the Dollar which has strengthened considerably over the past few days as the turm aoil continues in the EU.

The Chinese Government continues to try and stifle speculation locally by raising still further margins on futures exchanges, and are on the one hand trying to dampen price inflation by releasing 70/80,000 MT of rapeoil from reserve stocks, at the same time they also purchased 780,000 MT of sbns for delivery in 2010/11 in one transaction which is the biggest single transaction for 2 years. The Chinese Government continue to be fearful of any impending problems in S.America, and whilst prices for agricultural commodities normally stagnate or weaken in December, it is debatable whether this will happen this time.

Corn and wheat demand also continues to underpin the market to a degree as the US winter wheat crop continues to suffer from dryness, whereas the Australian crop is under considerable pressure due to excessive rains.

Russia is also reportedly negotiating for 3 Million MT of Argentine corn for delivery next year as a result of poor crops at home.

The Argentine sbn crop has been reduced to 49.5 Million MT as the effects of La Nina continue to linger, but plantings of the new crop have restarted in virtually all areas.

The CBOT closed down a little for sboil ydy and 3/4 cts for sbns whereas the overnight market is showing gains of 65/67 points for sboil and 6/7 cts for sbns. President Obama is meeting with representatives of the US Congress next week to discuss the extension of the ethanol blending program.

Palmoil steadied ydy with the Malaysian futures market posting gains of Rggt 107 to close up 107 at 3381. At the time of writing the market is a little easier at 3368 down 13 Cif Rdam cpoil was steadier ydy offered at USD 1137.50 Dec 1127.50 JFM 1112.50 AMJ.

Mineral oil prices have steadied to over USD 86 a barrel for US crude following the recent cold snap in Northern Europe.

Sunoil is now well in excess of USD 2000 pmt premium to rape and soyaoils due to shortages of supply in Eastern Europe.

European rapeoil was offered ydy at Euros 938 fma 946 mjj 920 aso