

## Market Report 08/10/2010

The market awaits a swathe of data from the US today, unemployment figures which should influence the direction of the Dollar and equities, and more importantly for agricultural commodities today's S + D report from the USDA. Consensus of opinion is that yields will be better than had been expected for beans and less for corn, which has already retraced about 50% of the recent decline in value.

At the moment veg oils are strengthening independently of mineral oil values. The CBOT closed up 31/35 points on soybean oil and 2/3 cts on beans and has advanced a similar amount on oil and 11/12 cts for beans on the overnight market. The resumption of purchasing by the Chinese after the recent one week holiday was also supportive.

Weather patterns continue to dominate S.America and should underpin bean levels until much needed rains arrive to the key Brazilian growing area of Mato Grosso. The Argentine bean crop is predicted to be down 1.5% from last year's level. Copra closed up 56 on the Malaysian futures market yesterday, and is trading largely unchanged today at 2782 for the benchmark 3rd position. CIF Rotterdam copra was marked up yesterday by USD 20 per mt at 955 Oct 952.50 N/D 950 950 JFM

Mineral oil is temporarily at the moment as the rally is capped by an increase in US inventory.

US crude is trading today at USD 81.42 a barrel. Brazilian Biodiesel production reached a record 205,000MT in August up 39% from August '09, but as capacity today is in excess of 4 Million MT it has plenty of scope to rise still further.

Argentine exports of Biodiesel are however decreasing reflecting the mandatory increase in blends. Exports of 299,000MT for July/Sept 2010 are down 26% year on year.

The Argentine Biodiesel price domestically of USD 902 for September is well in excess of the export price limiting the incentive to export. European rapeseed levels were marked up yesterday by about 5 Euros at 785 NDJ 790 FMA 800 MJJ