

Friday's Settlement Prices for Selected Commodities in US or Can.\$ / tonne:

Grains & Related					Oilseeds, Related & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Jul	279.06	294.40	187.57	Soya Beans	Jul	487.21	512.20	352.37
HRW Wheat	Jul	321.13	331.42	190.24	Soya Meal	Jul	385.27	400.81	306.78
HRS Wheat	Jul	332.07	348.32	196.94	Soya Oil	Jul	1,227.80	1,291.51	842.20
Corn	Jul	270.17	297.82	145.27	Canola	Jul	560.80	567.40	388.00
Oats	Jul	219.81	228.57	133.57	Crude Oil	Jul	97.78	113.70	75.28
W. Barley	Jul N	205.00	205.00	145.50	Dollar Index	Jun	75.10	73.22	84.70
Ethanol	Jul	66.41	70.06	43.43	DJIA	Jun	12,569	12,756	10,345

Data points in red are new previous 12-month highs, in blue are new previous 12-month lows

Comment: This week's market was almost totally dominated by a broad spectrum commodity sell off prompted by the perception of declining economic outlook, prompted in turn principally by actions by the Chinese government to rein in inflation. Disappointing US export sales were further taken as an indication of flagging demand and the rationing impact of higher prices. Planting in the Corn Belt continues to be a stop-start affair but improved weather would allow a catch up in short order. The Kansas wheat tour crop yield findings appeared to have been very much in line with expectations. The soya complex was able at times to buck the downward trend when forecast foretold of more rapid seeding progress and a reduced likelihood of farmers switching from corn to beans with planting delays.

News: The USDA crop report for winter wheat conditions as of May 1 indicated a one-point decline in good and excellent ratings to 34 percent, compared to 68 percent last year, a 51 percent five-year average and below ratings of both 2006 and 2002. Harvest results those years suggest we should be expecting yield in the 30

bushel per acre range. The crop is heading somewhat earlier than usual that also suggests stress and points to well below average yields. Both spring wheat seeding appear to be about a week behind the five-year average which is not yet a critical issue. On the Prairies the CWB reported at May 2 temperatures at or above normal in MB and SK the previous week, but still below normal in AB and field work up to three weeks behind normal in some areas. Unusually conditions appeared most advanced in AB where field work appeared general in drier central regions towards the end of the week.

Opinion: General economic outlook appears as threatening this week as it has at any time since the fall of 2008. Then the challenge was the economic stability of a significant portion of the global financial infrastructure. This week's action was the result of reversible counter inflationary policy by the Chinese government. Something that will likely be reversed if it is indeed excessive.

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