

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

## Grains &amp; Related

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Dec	219.17	226.61	236.81
HRW Wheat	Dec	252.98	258.67	260.69
HRS Wheat	Dec	337.03	343.27	266.66
Corn	Dec	240.25	251.37	205.01
Oats	Dec	197.12	208.47	229.05
W. Barley	DecN	217.00	217.00	180.00
Ethanol	Dec	68.68	69.90	55.58

## Oilseeds, Related &amp; Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Jan	430.45	431.92	441.47
Soya Meal	Jan	329.93	332.47	361.24
Soya Oil	Jan	1,127.04	1,128.81	1,086.92
Canola	Jan	518.70	515.50	528.80
Crude Oil	Dec	97.41	98.57	81.85
Dollar Index	Dec	78.23	77.14	78.49
DJIA	Dec	12,090	12,090	11,179

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

**COMMENT:** Demand was the issue of the week whether in anticipation of continued challenges with Euro zone economies, or more directly in term of sales which might again be the result of a “wait and see” attitude in the light of the darkness in Europe.

For corn the week started well with Asian business raising spirits but fell apart thereafter with Thursday's US export sales report for the previous week being a real downer.

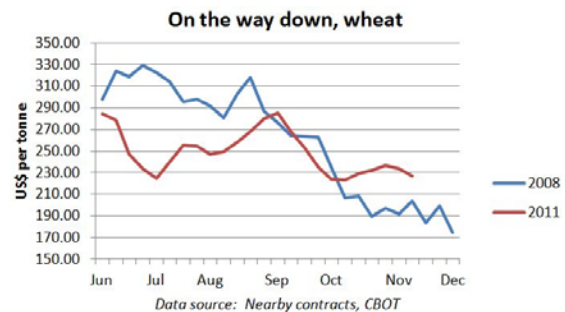
For wheat, the situation was generally the same with some support coming from the continued poor condition of the US HRW wheat crop and from quality concerns with early Australian harvest but improving Argentinean harvest prospects. For a change HRS wheat prices were lower but still at a 50 percent premium to SRW's for the nearby contracts.

The oilseed complex showed greater resilience with canola actually showing a gain over the week. US export sales for last week were the most positive element of Thursday's USDA report. The soya complex traditionally is more susceptible to outside market pressure but the expectation that significant business continued to be done may have been an isolating factor.

**NEWS:** Revisions from a month earlier to Agriculture and Agri-Food Canada's November S&D projections were limited mainly to generally lowering price projections. “The global financial situation especially in the European Union” was noted as main factor to watch but there was little in the way of adjustment in disposition in expectation of this. In fact the only revision of any significance was a 100K tonne, 1.4 percent *increase* in canola

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exports. Probably canola has yet to make much of an inroad into the Greek and Italian olive oil markets and hence the implications for canola prospects are rather indirect.



**OPINION:** Current debt developments in Europe are beginning to look a little like those of 2008 in the US in terms of potential ag commodity implications. It might appear to be stretching things a little to suggest basic food consumption is going to be materially affected by bond investors “taking a hair cut” or some austerity in the EU.

Quite probably the major issue on the other five continents is the uncertainty cause by what seem to be rather bizarre political developments. This may be the reason why US grain and oilseed export sales, as noted last week, continue to lag. In any event prices seem to have been more resilient than they were during the 2008 US credit melt down.

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