

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

Grains & Related

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Dec	211.09	219.17	238.19
HRW Wheat	Dec	236.44	252.98	264.83
HRS Wheat	Dec	303.96	337.03	269.69
Corn	Dec	229.32	240.25	211.90
Oats	Dec	189.34	197.12	223.22
W. Barley	DecN	217.00	217.00	185.00
Ethanol	Dec	64.30	68.68	56.66

Oilseeds, Related & Others

Commodity	Month	This week	Last week	Year ago
Soya Beans	Jan	406.38	430.45	455.06
Soya Meal	Jan	311.63	329.93	373.81
Soya Oil	Jan	1,063.33	1,127.04	1,107.86
Canola	Jan	503.20	518.70	529.40
Crude Oil	Jan	96.77	97.41	83.88
Dollar Index	Dec	79.83	78.23	80.43
DJIA	Dec	11,187	12,090	11,030

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

COMMENT: Most of the grains lost 10 percent of their value over this US holiday shortened week, while oilseeds were about 5 percent lower. There were, however, signs at the end of the week, supported by stronger outside markets, that buyers were returning.

For feed grains, there appeared to be little news of direct fundamental nature with corn prices following outside markets. They even shrugged off last week's disappointing export sales in the face of stronger crude oil, metal and equity markets.

Wheat prices were likewise influenced by outside markets with the positive price impact of continued poor US hard red winter wheat crop conditions off set by favourable harvest reports from the southern hemisphere. Improved export sales for last week were no doubt supportive.

Chinese purchases dominated last week's US soya bean export sales to the extent that the sum of direct Chinese purchases and switches from previously unknown destinations exceeded total direct purchases to all destinations for the week.

NEWS: US export sales for last week were a little more encouraging after four rather dismal weeks. In fact wheat sales of 615K tonnes and soya beans sales of 922K tonnes were above trade expectations and exceeded corn sales of 310K tonnes, which were below.

OPINION: When the right of centre People's Party won the Spanish election last Sunday with an absolute majority - described as "crushing",

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some words, at least of intent, about fiscal caution might have been anticipated from the winner. Instead he refused to give any clearer indication of his austerity plans until December 20 when his government is sworn in. The bond market reacted by raising average yields on Spanish bonds by two percentage points.

This absence of soothing words suggests that a line has been drawn in the sand, with heels creating lots of dust on both sides - those advocating financial prudence and those recognizing the need for economic stimulus.

A clear victory by either interest would undoubtedly be positive at least in the short term as it would remove uncertainty which seems to be the market's worst enemy at this time. The reality is that there will likely be compromises and further delays. But perhaps everybody will eventually learn to live with this uncertain situation as they, perhaps, have with US deficits and debts.

David Walker, Edmonton, AB, CA