

## Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday:

19-Oct-12

## Grains

Commodity	Month	This week	Last week	Year ago
SRW Wheat	Dec	320.58	314.80	232.22
HRW Wheat	Dec	333.63	327.11	265.65
HRS Wheat	Dec	346.30	339.60	337.76
CWRS	Oct	304.60	297.40	n/a
Durum	Oct	312.40	312.40	n/a
Corn	Dec	279.80	276.77	255.70
Oats	Dec	255.64	254.18	218.52
Barley	Dec	250.00	250.00	n/a

## Oilseeds &amp; Others

Commodity	Month	This week	Last week	Year ago
Soybeans	Nov	563.73	599.24	445.42
Soya Meal	Dec	511.27	512.81	349.22
Soya Oil	Dec	1,137.18	1,117.12	1,129.91
Canola	Nov	611.90	606.70	522.10
Crude Oil(WTI)	Dec	90.45	91.97	87.46
Ethanol	Dec	63.64	63.77	70.14
Dollar Index	Dec	79.71	79.75	76.63
DJIA	Dec	13,255	13,246	11,701

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

**COMMENT:** Almost all grains and oilseed contracts ended the week higher without the help of a bullish USDA report. There was little positive market news for corn excepting strong cash markets. Export sales still lag.

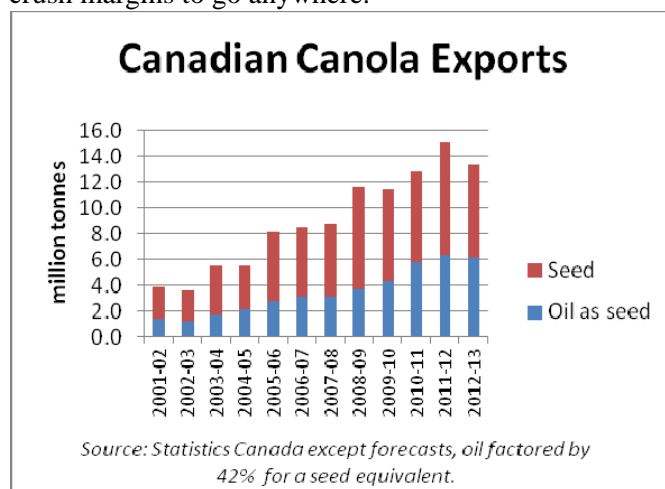
A rumour was reported on Tuesday of a sale of 295,000 tonnes of Canadian spring wheat to China, but with no follow up announcement, which would have been expected in the single desk era, it is difficult to assess implications. The global supply situation for wheat continues to tighten with the Ukraine naming the day for an anticipated ban on exports, continued dry weather in Australia, and a mixed moisture situation for US winter wheats. Last week's US wheat export sales exceeded trade expectations. Soybean prices continued to benefit from rumours of Chinese purchases and positive economic news from China further supported prices. US export sales last week were "impressive ... but failed to meet market expectations."

**NEWS:** AgCanada revised its Supply and Disposition tables this week to reflect StatsCan's revised production estimates earlier in the month. Of most interest was how the cut in canola production would be balanced – exports were cut back by about 2Mt and domestic use and ending stocks by about 200Kt. A cut in barley output was balanced mainly by a reduction in ending stocks which had previously been expected to increase from this summer's levels. For field peas exports and ending stocks were reduced with the later forecast at the

lowest level since 2001. An increase in durum production and supplies was seen as allowing expanded exports.

**OPINION:** Canadian Grain Commission data for the first ten weeks of the crop year, to Oct. 7, has canola exports trailing a year ago by 6 percent. AgCanada forecasts a 13 percent cut for the year as whole. But for much of that period trade was on ending stocks and certainly with a more optimistic supply scenario. While the 13 percent cut might seem quite severe the options for adjustment are limited.

AgCanada is at the same time projecting the smallest carryover since 2010 and stocks/use basis as low it has been in at least 30 years. As for the domestic crush which is mainly for export, crushing margins will ultimately tell the tale. Some plants may take time out for deferred maintenance but there is no real expectation for crush margins to go anywhere.



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