

Grain and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	8-Nov-13 Year ago
SRW Wheat	Dec	238.74	245.36	325.73	Soybeans	Jan	476.19	459.84	533.23
HRW Wheat	Dec	260.33	269.52	338.96	Soya Meal	Jan	376.38	351.88	495.73
HRS Wheat	Dec	260.15	266.58	349.24	Soya Oil	Jan	890.70	923.77	1,053.19
CWRS Wheat	Spot	219.77	227.36	n/a	Canola	Jan	495.70	481.70	591.40
CPS Wheat	Spot	188.45	197.17	n/a	Crude Oil(WTI)	Dec	94.51	94.66	86.13
Corn	Dec	168.00	168.20	271.72	Dollar Index	Dec	81.37	80.32	81.11
Ethanol	Dec	44.25	46.44	62.90	DJIA	Dec	15,660	15,530	12,780
Oats	Dec	216.90	213.65	235.70					

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

For price specs. go to: www.open-i.ca/PriceSpec.htm

COMMENT: US corn prices drifted lower for most of the week as concern over prospects for increased supplies than offset favourable demand news. Friday's USDA production estimate was slightly below average trade expectations and while global ending stocks were increased substantially it seems this seems to have been discounted earlier in the week and prices ended up only slightly lower over the week. Friday's reports for wheat were not construed positively as both US and world wheat stocks were at the high end of trade expectations with revisions to September forecasts less than expected. Wheat prices were lower for a third successive week. Friday's report was on balance positive for soybeans with strength in soy meal offsetting weakness in oil. Against trade expectation the USDA lowered rather than raised global soybean ending stocks. And with the supply situation relatively tight positive demand news tended to dominate prospects for increased US soybean supply earlier in the week. Canola benefitted from the relative weakness in the Canadian dollar late in the week when lower soya oil prices would otherwise weighed on prices.

NEWS: Friday's USDA November production estimates increased corn and soybeans by 1 and 3 percent, respectively, from their September forecasts. Corn production is now estimated at a record 355.3Mt, up 30% from 2012, and soybean production at 88.6Mt, up 7% from last year which would be the third largest output on record. For both crops the harvested area estimate was reduced. Revision to USDA monthly **wheat** supply and use forecasts were limited to a small late season increase in output and an increase in imports largely offset by an increase in feed and residual. Most of a 7.8M tonne upward revision in US **corn** supply is forecast to offset by increases in export and domestic feed use. The ending stock forecast was revised up by

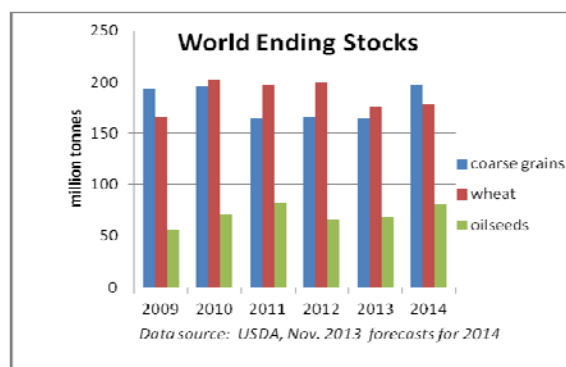
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less than a million tonnes. For **soybeans** a 3.0M upward revision in the supply estimate was allocated mainly to exports including soy meal which shows up in a larger domestic crush.

The USDA's **world wheat** supply forecast was about unchanged with increased output offset by a reduced beginning stock estimate. But expectation for reduced feed use is expected to result in a small increase in ending stocks.

The USDA made upward revisions to both global **coarse grain** opening stocks and output resulting in a 20M tonne increase in supply. While it anticipates a 6.5M tonne increase in use, the ending stocks forecast is raised by over 14M tonnes to the highest level since 2000.

For global oilseeds, an increase in output is expected to be offset by increased use with a small reduction in the ending stock projection of two months ago, which is 17 percent above the very tight supply situation prior to the US harvest.



OPINION: While USDA forecasted global ending stocks are above those of the last few years, in an historic perspective they are not overly burdensome, particularly in a stocks to use ratio context.

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