

Crop and Related Prices					Oilseeds & Other Prices				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	5-Jan-18 Year ago
SRW Wheat	Mar	158.27	156.90	155.52	Soybeans	Mar	356.69	353.39	365.51
HRW Wheat	Mar	160.76	156.99	159.19	Soya Meal	Mar	292.01	287.39	282.40
HRS Wheat	Mar	230.29	225.88	203.10	Soya Oil	Mar	744.31	733.28	771.20
CWRS Wheat	Spot	246.39	n/a	238.48	Canola	Mar	490.30	488.70	497.70
CPS Wheat	Spot	192.60	n/a	170.84	Crude Oil(WTI)	Mar	61.47	60.25	54.88
Corn	Mar	138.28	138.08	140.94	Dollar Index	Mar	91.67	91.91	102.25
Ethanol	Mar	35.64	36.51	41.40	DJIA Mini-sized	Mar	25,155	24,784	19,902
Oats	Mar	161.13	156.27	147.84	SRW Wheat - New Crop	Dec	179.13	177.11	174.90
For price specs. go to: www.open-i.ca/PriceSpec.htm					Corn - New Crop	Dec	151.37	151.17	151.76
Data in red are 12-month highs, in blue are 12-month lows					Canola - New Crop	Nov	502.30	491.40	488.80

COMMENT: US wheat prices were stronger early in the week on reports of declining crop ratings and cold temperatures but advances were not sustained as eastern European crops were reported to be generally favourable and last week's export sales data did not meet trade expectations. Mostly improved South American crop conditions and a disappointing export sales report for last week weighed on corn prices but interior US cold weather challenges with grain movement were supportive. Soybean prices continue to be driven by South American crop prospects, although disappointing exports sales last week weighed on support from that source.

NEWS: This week's news stemming from reports covering in the main the two holiday-shortened trading weeks may not be overly indicative of trends. But next Friday the USDA will be reporting on final 2017 production estimates, Dec. 1 grain stocks which will provide an early indication of this crop year's feed use, and 2018 winter wheat area, which together with other ongoing developments will result in revisions in its domestic and global supply and demand forecasts for 2017-18 crop year, also released on Friday. Plenty of news next week, not much this week.

December USDA "Crop Progress State Stories," which are difficult to summarize due to their varied formats, suggest that moisture conditions are generally poor in the major Great Plains winter wheat states. But the immediate impact of this on dormant hard red winter wheat crops may be limited. Moisture conditions in Corn Belt soft red winter wheat states appear adequate.

OPINION: There seems to be a greater than usual degree of uncertainty at the moment over the future direction of Canada/US exchange rates. The extra uncertainty stems from the future of NAFTA. The direction of the Canadian economy appears to be as positive as it has been for some time. This would suggest that the Bank of Canada will raise interest rates if and when the US raises its interest rates and with it

exchange rates firm. But the Bank of Canada has expressed concern over the uncertainty arising from the future of NAFTA.

The price of crude oil appears to have been the major determinant of exchange rates over the last decade or so. The very abrupt 2008 slide in crude oil prices and equally abrupt recovery was mirrored by Can/US exchange rates. Again in 2015 the Canadian dollar slid with lower crude oil prices and its recovery has been as modest as that of crude oil prices. The cold comfort is that most of anything lost from a stronger dollar and lower crop prices should eventually be gained from lower supply prices. But most of the gain from a weaker dollar and higher crop prices will be eaten up by higher supply prices.

David Walker, Edmonton, AB, CA

