

Crop and Related Prices					Oilseeds & Other Prices				2-Nov-18
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Dec	186.94	185.65	156.44	Soybeans	Jan	326.19	315.17	362.57
HRW Wheat	Dec	185.28	183.81	156.81	Soya Meal	Jan	283.67	280.76	284.76
HRS Wheat	Dec	213.30	212.29	229.56	Soya Oil	Jan	626.58	625.69	758.86
CWRS Wheat	Spot	256.43	250.40	252.96	Canola	Jan	485.30	491.50	514.30
CPS Wheat	Spot	217.92	208.77	182.72	Crude Oil(WTI)	Dec	63.21	67.56	55.58
Corn	Dec	146.15	144.78	137.10	Dollar Index	Dec	96.32	96.12	94.91
Ethanol	Dec	34.00	33.52	38.54	DJIA Mini-sized	Dec	25,191	24,792	23,480
Oats	Dec	184.31	189.34	170.53					

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

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

COMMENT: Wheat prices moved rather erratically sideways over the week. Several demand indicators were supportive but the absence of issues over the development of the US winter wheat weighed on values. Weather forecasts for the completion of the US corn harvest were regionally mixed which was supportive but sales data was disappointing. Corn prices were supported by the advance in soybeans. Soybean prices, after drifting lower earlier in the week, had an abrupt upward move prompted by Thursday's "Trump tweet" which suggested some improvement of Sino-US relations.

NEWS: MB and SK crop reporting is finished for the year. Harvest is close to complete.

For AB as of Oct 31, final crop report: Nearly 95 per cent of crops are now in the bin, up 17 per cent from a week ago, with another three per cent in the swath and only two per cent still standing. In recent years, harvest progress was wrapped up by this time, with the notable exception of 2016. Compared to 2016, harvest is currently ahead for all regions.

With harvest virtually complete it is probably constructive to comment that soil moisture for the 2019 crop are improved on a year ago. As of mid October SK topsoil moisture was rated 71 percent adequate compared to 40 percent last year. For AB 74 percent was good or excellent compared to 68 last year and a 66 percent five-year average.

With improved weather a couple of weeks back and the resumption of harvest, Prairie farmer crop deliveries picked up – the 1.7mmt delivered the week of October 21 was the highest weekly deliveries in several years. Primary elevator stocks rose to just under 4.0 mmt which appears to be something of a ceiling for grain companies. Forward movement of crops and crop products continues to be favourable, 14.0 mmt over the first quarter of the crop year, compared to 13.7 mmt last year, despite a later harvest and no doubt stiff competition for service from the energy sector.

Cumulative exports for the first quarter of the crop year are 7 percent ahead of last year with wheat accounting for most of the increase.

As of October 28, US corn and soybean harvest were respectively 63 and 72 percent complete, compared to 52 and

81 percent last year and five-year averages of 63 and 81 percent.

US winter wheat planting is 78 percent complete compared to a percent 5-year average of 85. The first condition ratings place the crop at 53 percent good or excellent compared to last year's 52 and a five-year average of 56 percent.

OPINION: One has to wonder when a TrumpTweet has such an impact on markets as it did on Thursday. Of course, with US Congressional elections next week, it might have been anticipated. In that vein the election results will undoubtedly influence the implementation of further political actions driving the economy.

Canola markets might have been expected to benefit most from the 25 percent Chinese import tariff on US soybeans. The margin between a soybean composite value for canola - the price of soya meal and oil weighed by the yield of meal and oil from canola, adjusted for exchange rates provides a very rough measure of the relationship between the two markets. The spread appears to have narrowed over the four months the tariff has been in effect but not to the degree of 25 percent. Further, there does not seem to have been a surge in the movement of canola relating to the tariff.

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Canola Price Relationships

