



**"Commodity Marketing Solutions"**

Rod Buckle: 0266 587456 Richard Officer: 0267 526066 Jayne Barker: 0267 422199

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**Market Report 11 Nov 2013**

**\*Please note – prices vary from site to site. Please contact us for a quote on your local site price.\***

<b>Commodity</b> (as at 3pm 11/11/13)	<b>Price Guide</b>	<b>30/10/13</b>
APW Track Newc 13/14	310	313
APW Track Bris 13/14	305	312
APH2Track Newc 13/14	322	322
APH2Track Bris 13/14	315	318
APW Track Newc 14/15	270	273
SFW1 Delivered Plains 13/14	280	275
ASW Delivered Brisbane	324	325
SFW Delivered Downs 13/14	299	302
Feed Barley Track Newc 13/14	279(nsw)	275
Barley Delivered Downs 13/14	277	280
Sorghum Track Newc 13/14	263	278
Sorghum Track Bris 13/14	267	282
Sorghum Delivered Brisbane 13/14	287	295
Chickpeas Delivered Narrabri 13/14	380	345
Fabas Delivered Narrabri 13/14	350	350
Canola Track Newc 13/14	505	498
Cotton f.o.t ex-gin 2014	450	456

## Domestic Commodities

As wheat harvest heads further south through NSW we have seen protein markets pull back to levels more comparable to what we are seeing quoted in track markets. Miller demand has been satisfied somewhat, but there are still options available, particularly for deferred homes for early 2013 that are showing some good carry. Packer demand still exists and multigrade options are still available to growers unsure of protein levels or holding grain with borderline protein levels.

In the north we continue to see good demand for ASW/ SFW quality wheat with ex-farm options representing good value compared to delivered system options. Trade in the \$325-\$330 delivered Brisbane range for ASW has seen growers with this grade as a minimum spec, and placed well geographically, able to capitalise. Durum demand remains sporadic in northern NSW. Site based prices have tended to vary from day to day, with various buyers preferring a certain site on a given day. Best strategy if interested in marketing is to call us with an offer or level you may be interested in to not miss any spike.

Barley continues to trade at a minimum \$20 discount to wheat, with this spread opening up further as you head south away from the SQ feed markets. Still seeing ex-farm options much more favourable to system delivered grain, and not much of a premium available for malt.

The chickpea market has finally seen a little upside, with a recent rally of its harvest lows. Markets ended last week at \$380 delivered Narrabri, and flirting with the \$400 level delivered Southern Queensland for December delivery. Most growers with peas stored on farm look to be targeting a bit more at this stage.

Cotton has been under pressure so far through October & November, due mainly to offshore influences. Talk of a fall in Chinese stockpile buying looks to be the main catalyst. The US futures did end last week on a more positive note though, with dry conditions continuing here probably adding some further support.

### **Why the market may go north this week:**

- \* Corn technically a little oversold, and any remaining bulls may take some confidence out of USDA demand figures.
- \* USDA soybean numbers show strong oilseed export demand despite better than expected yields
- \* If eastern Australian rain forecasts disappoint there will be some support for the feed complex.

### **Why the market may go south this week:**

- \* Forecast for some rain this week may see some weakness hit new crop sorghum bids as buyers step back ahead of the weather
- \* Harvest heads further south with grower selling of protein grades seen as wheat seen as best selling option at this point in time.
- \* Chickpeas seen back off their harvest lows so far in November, but still a way off target still for most growers who took the decision to store.

## Offshore Markets

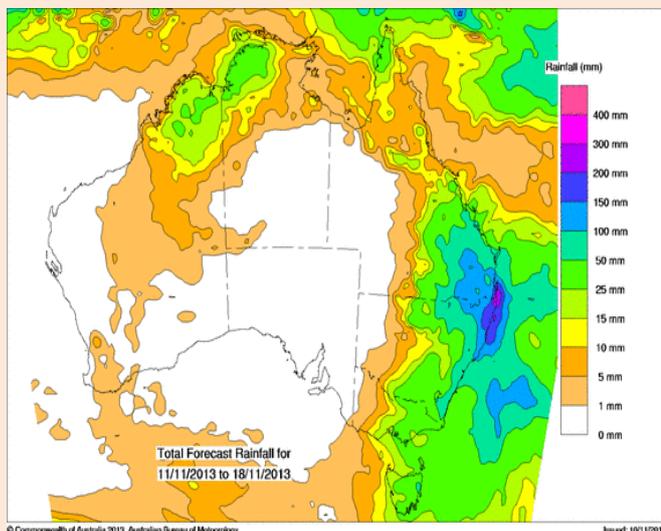
All eyes at the end of the last week were focussed on the US Dept of Ag World Supply & Demand update. This addition took on a little more importance than usual due to the cancellation of the October version due to the US fiscal crisis causing the USDA to shut down temporarily before a funding deal could be cut.

From a volatility view point there were certainly no jaw-dropping shocks in the data when it was released on Friday night. Whilst the US corn and soybean acreage and expected yield figures were actually up, the market managed a slight rally due to a stronger than expected export and feed demand component. US corn yields were forecast at 160 bushels/ acre by the USDA, which would put the crop at around 14 billion bushels.

Soybean traders made more of the numbers, despite a bean yield of 43 bushels/acre, about 0.5 bushels above average market expectations. This was more than offset by a fall in acreage, and a stronger export demand projection, sending beans up 29c in the US, and canola up \$5.

International USDA forecasts saw cuts to expectations from Russia, Kazakhstan, & Argentina, with raised projections for Canadian wheat crops. Interestingly, the projected 13-14 wheat harvest for Australia was left unchanged from projections 2 months ago. This unfortunately gives us some idea as to how "reliable" these projections can be at times.

### Growers remain hopeful of some rain relief this week:



## Weather Update

We now go into a less volatile period for northern hemisphere weather developments, where severe weather shocks become less likely. With wheat crops planted and heading into dormancy, market volatility should remain low for the short term.

Locally we are seeing further projections of falls in southern Queensland and northern NSW over the next week, although nothing has eventuated in key cropping areas as yet. I am hoping this last piece of information is proved to be inaccurate between time of writing, and time of reading.

## Finance Update

The Australia dollar showed why it is such a difficult beast to predict through October. With it looking in all likelihood ready to break down and have a look below 85cUS, we all of a sudden see it back in its medium term range. With China and commodities now probably mildly supportive, the next move is hard to predict.

Share markets continue to flirt with their recent highs, with strong jobs numbers in the US seeing markets start the week higher before giving up gains today. The Reserve Bank seems happy to stay put on rates...for now.... And seems like it wants to try and "talk" the Aussie down with talk of further easings.

Commodity Prices	Month	Last Price	Daily Change	1/11/13	Change
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as at 8am aest 11/11/13

AUD	Spot	93.88	-0.64	94.51	-0.63
CME Wheat	Dec13	650	-3	667	-17
CME Wheat	Dec14	690	+0	702	-12
Kansas Wheat	Dec13	708	-4	740	-32
Hard Spring Wheat	Dec13	708	-1	730	-22
CME Corn	Dec13	427	+6	428	-1
CME Corn	July14	454	+7	447	-7
CME Soybeans	Jan13	1296	+29	1266	+30
ASX Wheat	Jan14	286	+3	283	+3
ASX Sorghum	May14	264	-1	272	-8
ICE Cotton	May14	79.33	-0.16	79.89	-0.56
ICE Cotton	May15	77.44	-0.39	76.72	+0.72

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