



## Strategy

### Wheat

WA prices are being driven on the back of Brisbane/Newcastle domestic pricing fundamentals for old season. International markets are sensitive to weather problems in Russia and Australia, this will continue through June as this is a critical month for Russian crops. USDA still forecast a 72 mmt crop for the Black Sea, but may be revised after this week on the back of weather fundamentals. Globally we have seen a Russian wheat shipment rejected for ergot in Egypt. US Spring planting is sitting at an average pace with 91% complete. In WA we are expecting another weather front to pass over today, but the story is not the same in South Australia and the East Coast influencing prices higher and supply tightening. The AUD is showing signs of strengthening off the back of strong economic data locally, this will continue in the short term. Basis strengthening on the back of a higher AUD and lower futures. An additional 75kt of wheat was put on the stem in WA. We still see opportunities due to volatility stemming from domestic and international weather events. Make volatility your friend and capture the rallies.

### Barley (Malt & Feed)

Barley prices for new season since last week's drop on the back of weather fundamentals, are steady sitting at a decile above 8. Concerns over the Black Sea crop appears to be lending support to global markets, with deteriorating yields following the mostly drier than normal May weather in Southern Russia and Ukraine. Speak with your broker to discuss floating and fixed pricing options for new season coverage.

### Canola

Canola is seeing some weakness on the back of rain received in the Canadian Prairies, and weakness in soybeans. In Brazil there has been disruption to the supply chain with truck strikes, however it seems the government has now agreed to all the striker's demand - There will be a backlog until operations get back to normal. Volatility still exists with trade war talks continuing between US and China. We are still bullish due to reduced plantings domestically. If you are still holding old season grain we recommend having indicatives in place, so speak with your broker. For new season 18/19, look for opportunities to gain coverage at values of \$560 or above

### Oats

Oat prices for new season have weakened after the rains, we are still bullish long term due to reduced plantings for 2018/19. Values for old season have fallen away too, but in the short term there will still be demand domestically from the feed market. We recommend pricing old season grain when opportunity knocks in the market, still seeing demand for feed over the next 3 weeks. New season values, we would advocate forward coverage above the \$300 level.

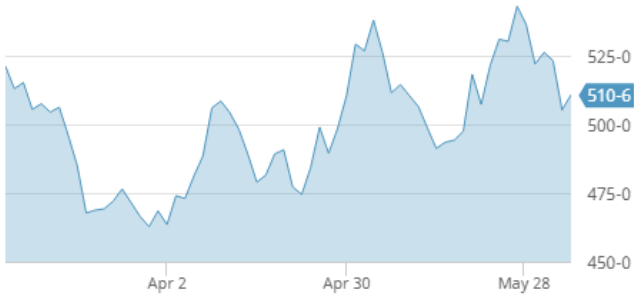
### Lupins

Lupin prices have weakened from the highs of last week off the back of the rain received. Prices are still relatively strong for 17/18, as there is still a demand in the short term for feed on the back of dryness. Plantings have been reduced for 2018/19 season, so we are still bullish.

*Disclaimer: This weekly strategy is general commentary provided to all members and is to be treated as a guide only. For any advice specific to your individual situation please contact your GBA broker before making any financial decisions.*

# Market Wrap

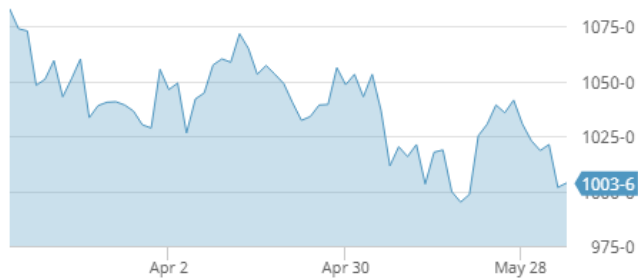
## WHEAT (ZWN18) – CBOT SRW July



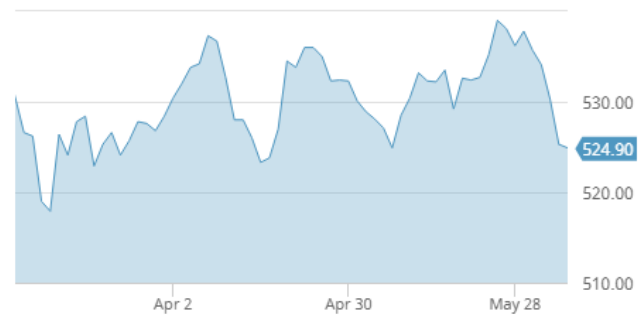
## CORN (ZCN18) – CBOT CORN July



## SOYBEANS (ZSN18) – CBOT SOYBEANS July



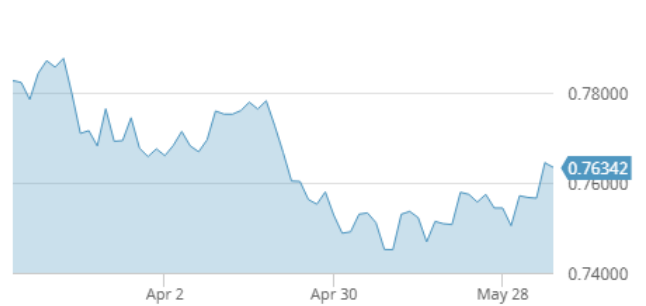
## CANOLA (RSN18) – WINNIPEG (CANADA) July



## RAPSEED (XRQ18) MATIF (EUROPE)



## AUD/USD SPOT



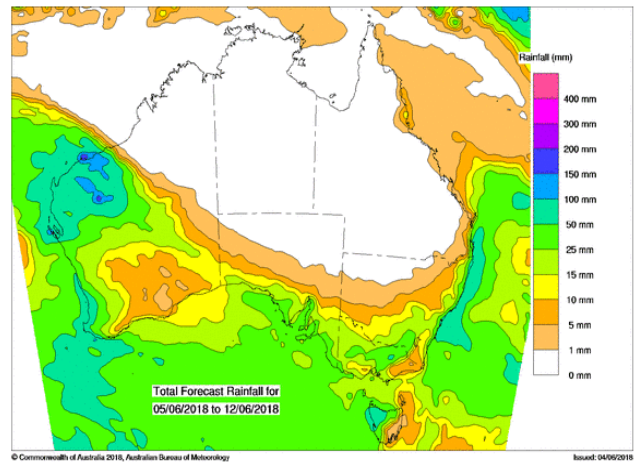
**WHEAT FOB/CNF MARKETS** APW1 equivalent USD rates both FOB (origin) and CNF (destination). Price changes is brackets. Green for up, Black unchanged & red down.

	ARG (11.5%)	RUS (12.5%)	FRA (11%)	SA (APW)	WA (APW)	WA (ASW)
<b>FOB (\$US)</b>	\$271 (6)	\$207 (4)	\$211 (3)	\$256 (2)	\$262 (3)	\$258 (3)
<b>CNF INDO</b>	\$309 (7)	\$242 (4)	\$246 (3)	\$273 (2)	\$278 (3)	\$275 (3)
<b>CNF IRAQ</b>	\$305 (5)	\$242 (4)	\$251 (3)	\$280 (2)	\$280 (3)	\$276 (2)

## BARLEY FOB/CNF MARKETS

	ARG	RUS	FRA	SA	WA	VIC
<b>FOB (\$US)</b>	\$220 (2)	\$208 (1)	\$206 (1)	\$247 (5)	\$250 (2)	\$270 (6)
<b>CNF CHINA</b>	\$258 (2)	\$244 (1)	\$241	\$264 (4)	\$264 (1)	\$287 (5)
<b>CNF SAUDI</b>	\$254 (2)	\$235	\$233	\$270 (4)	\$268 (1)	\$289 (6)

Commodity	This Week	Last Week	Change	Last Month	Change
CBOT WHEAT (Jul 18)	505.25	543.00	-37.75	511.50	-6.25
CBOT Wheat (Sep 18)	522.75	559.75	-37.00	528.75	-6.00
KCBT WHEAT (Jul 18)	521.50	564.00	-42.50	539.50	-18.00
MGE Wheat (Jul 18)	593.25	644.25	-51.00	611.00	-17.75
MATIF Wheat (Spot)	159.25	159.25		159.25	
ASX EA Wheat (May 18)	0.00	0.00		0.00	
ASX WA Wheat (May 18)	0.00	0.00		332.00	-332.00
CBOT Corn (Jul 18)	380.75	406.00	-25.25	400.75	-20.00
CBOT Corn (Sep 18)	389.75	415.00	-25.25	408.50	-18.75
MATIF Corn (Spot)	159.50	172.25	-12.75	166.50	-7.00
ICE CANOLA (Spot)	525.30	536.20	-10.90	524.90	0.40
MATIF Rapeseed (Spot)	355.50	362.50	-7.00	348.25	7.25
CBOT Soybean (Jul 18)	1001.75	1041.50	-39.75	1011.50	-9.75
CBOT Soybean (Sep 18)	1011.50	1049.00	-37.50	1016.25	-4.75
FX AUD/USD (Today)	0.7645	0.7544	0.0101	0.7505	0.0140
FX AUD/CAD (Today)	0.9884	0.9802	0.0082	0.9679	0.0205
FX AUD/EUR (Today)	0.6531	0.6489	0.0042	0.6303	0.0228



2018/19 FIS Prices						18/19 APW BASIS USc/bu					
Zone	This Week	Decile	Last Week	Change	Last Month	Change	This Week	Last Week	Change	Last Month	Change
<b>Wheat APW1</b>											
Albany	304		308	-4	297	7	89	56	33	58	31
Esperance	300	7.2	306	-6	297	3	81	43	38	58	23
Kwinana	308		310	-2	300	8	98	62	36	64	34
Geraldton	300		309	-9	299	1	81	62	19	62	19
<b>Canola CAN1 ISCC</b>						<b>Canola CAN1 ISCC AU\$/t</b>					
Albany	549		555	-6	546	3	24	20	4	11	13
Esperance	549	5.9	555	-6	547	2	24	20	4	12	12
Kwinana	550		555	-5	548	2	25	20	5	13	12
Geraldton	548		555	-7	545	3	23	20	3	10	13
<b>Barley F1</b>											
Albany	271		272	-1	275	-4					
Esperance	269	9.1	270	-1	274	-5					
Kwinana	273		275	-2	278	-5					
Geraldton	267		265	2	272	-5					

2017/18 FIS Prices						17/18 APW BASIS USc/bu					
Zone	This Week	Decile	Last Week	Change	Last Month	Change	This Week	Last Week	Change	Last Month	Change
<b>Wheat APW1</b>											
Albany	303		305	-2	283	20	126	88	38	57	69
Esperance	303	7.2	305	-2	282	21	126	90	36	57	69
Kwinana	308		310	-2	292	16	137	101	36	75	62
Geraldton	306		308	-2	287	19	133	94	39	69	64
<b>Canola CAN1 ISCC</b>						<b>Canola CAN1 ISCC AU\$/t</b>					
Albany	540		541	-1	535	5	8	-6	14	-8	16
Esperance	525	4.5	538	-13	533	-8	-7	-11	4	-10	3
Kwinana	541		541	0	535	6	9	-6	15	-8	17
Geraldton	520		530	-10	517	3	-12	-19	7	-27	15
<b>Barley F1</b>											
Albany	300		300	0	280	20					
Esperance	285	9.5	285	0	275	10					
Kwinana	300		300	0	290	10					
Geraldton	280		280	0	270	10					