**GLEADELL MARKET REPORT**

**WHEAT AND OILSEED RAPE**

**Immediate – 29 July 2016**

**David Sheppard, Gleadell’s managing director, comments on the wheat market**

Strong US spring wheat and corn crop ratings, together with a benign weather outlook, have encouraged fund longs to liquidate their positions in recent sessions. However, signs of increased export trade and reports of hotter weather returning to the mid-west pulled the markets higher last night.

With 85% of the US winter wheat harvested, higher-than-expected yields have led analysts to look for higher spring wheat yields. Additional bearish pressure is being exerted from the corn complex, where ideal weather and good crop ratings would support trade views of much higher yields than USDA currently projects.

EU wheat continues to be dominated by the demise of the French crop, now seen at 30-32mln t, some 25% below last season’s record. The quality of the crop continues to deteriorate and news of Black Sea EU wheat being imported to France for tendering on the MATIF contract adds to what is a confused market.

If France has to export a lot of feed wheat rather than milling wheat then MATIF looks overpriced, especially if you end up with Romanian wheat rather than French milling wheat if you own MATIF futures.

Russia’s wheat harvest continues to advance. Good quality and yields are reported, prompting comments that the government may remove, or even scrap, the current export duty and lower intervention prices to increase exports sales.

The UK market remains concentrated on spot demand with end users and merchant shorts topping up requirements as and when they need them. With harvest predictions mostly running at 14-14.5mln t, quality remains the key unknown. Given the poor French crop, any sign of UK quality would enhance export opportunities.

In summary, apart from the EU, global crops are getting bigger. French wheat, due to poor quality, has priced itself out of the export market, leaving Black Sea origin as easily the cheapest wheat in the world. With the potential of increased exports from Russia, on the back of a record post-Soviet crop, other key exporters will have to become very aggressive on price.

(COPY ENDS 335 WORDS)

**Jonathan Lane, Gleadell’s trading director, comments on the OSR market**

US soybeans have had a fairly flat week with the market initially trading lower before retracing to unchanged. Crop ratings remain good and we continue to see selling among long holders of beans.

We still have the crucial month of August to get through for US crops so some uncertainty remains.

MATIF rapeseed has also been fairly flat. Across Europe yield reports continue to disappoint. The next week or two will provide a better picture as harvest progresses in northern Europe. The MATIF versus Winnipeg spread has moved, allowing Canadian and Australian seed to calculate into the EU.

(COPY ENDS 98 WORDS)

**For market information contact** Jonathan Lane, trading director, on 01427 421221 or [jonathan.lane@gleadell.co.uk](mailto:jonathan.lane@gleadell.co.uk)

**Press queries or for further Gleadell contacts call** Robert Harris Communications on 07768 402850 or [robert@roberthcomms.co.uk](mailto:robert@roberthcomms.co.uk)

**Notes to Editors**

Gleadell Agriculture Ltd is an independent major trader of grain, seed and fertiliser in the UK with offices in York, Hemswell (Lincolnshire), Swaffham (Norfolk), Stamford (Lincolnshire) and Warminster (Wiltshire). Gleadell is jointly owned by [ADM](http://www.adm.com/) and [InVivo](http://www.invivo-group.com/).

Any prices quoted in this release are indicative only at the time of going to press and subject to location and quality. Although Gleadell takes steps to ensure the validity of all information contained within this release, it makes no warranty as to the accuracy or completeness of such information. Gleadell will accept no liability or responsibility for the information, or any action or failure to act, based upon such information.