**GLEADELL MARKET REPORT**

**WHEAT AND OILSEED RAPE**

**Immediate – 4 November 2016**

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

US wheat prices are up slightly on the week, supported by a weaker US dollar, bouts of fund short-covering and continued concerns over 2016-17 wheat quality supplies from Australia and Canada.

In addition, talk of drier conditions in the US southern plains and the likelihood of another drop in US winter plantings has added support.

EU markets have traded slightly lower on the week, although the MATIF/CME spread has widened. Again, no vessels are loading in Rouen and none are destined to be, showing the current lack of demand for French wheat.

Black Sea wheat prices continue to firm, with little tonnage being offered from the Ukraine as corn exports ramp up. Russian exporters are trying to scrape together export commitments and interior prices show no signs of receding, although the recent fall in crude to a five-week low has pushed the value of the ruble lower.

UK markets are also slightly higher on the week, although news that the High Court has ruled that Parliament must vote on whether the UK can start the process of leaving the EU has seen currency spike higher and futures move lower. The decline of sterling following the vote to leave has been the major driver of the rise in the UK market. The ruling will probably delay the Brexit timetable, leaving the potential for sterling to strengthen, which could pressure UK ex-farm values.

In summary, as we enter November, the sentiment appears to have shifted from one of increased demand to one of addressing global over-supply. US and UK interest rates remain unchanged, but the uncertainty of the US election and the UK High Court ruling, plus the recent slowing of crude oil, could mean today’s ex-farm values mark an opportunity for growers to increase their selling activity.

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

Soybean futures have again found upside resistance at the top of the trading range, just above the $10 /bushel mark and futures have had a 50 cent sell-off (circa £14/ton) from that level.

News has been limited as the US harvest nears completion and the market begins to turn its focus to the US election and next week’s USDA report.

Weather is improving in Canada, which should allow harvest to resume in snow-affected areas.

The MATIF rapeseed contract has also found some upside resistance at €405 euros, at the highs of June 2015. This encouraged some long liquidation/profit taking, pushing the futures down almost €15.

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**Notes to Editors**

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