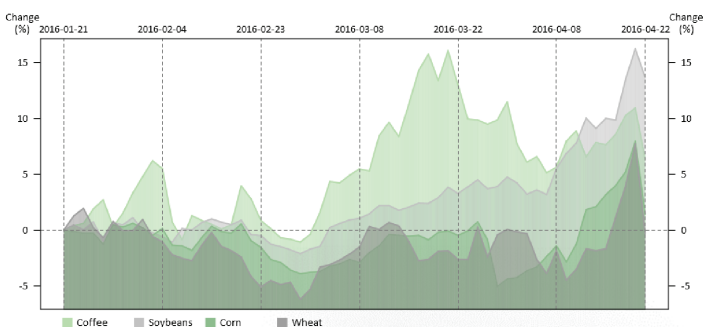


Grains Unable To Maintain High Prices

Tuesday, April 26, 2016



Corn was off with a good start in the beginning of the previous week, as futures for July delivery increased by 13.75 cents, having risen up to \$3.94 per bushel from Monday to Wednesday. The main driver of the price increase was dryness in Brazil, as well as the weather forecasts. However, poor weather forecasts caused the price to drop dramatically, reaching the lowest level in nine days, namely 5.53% lower down to \$3.72 per bushel. This was rather disappointing news, as corn is the biggest US crop.

Wheat's performance during the previous week was quite similar to the corn, as futures for July delivery rallied for the first three days. Price increased from \$4.72 up to \$5.03 per bushel in that period, but then dropped to the lowest level that week, namely down to \$4.67 per bushel. Wheat is only the fourth biggest crop in the US, therefore, this price drop was not as critical, as it was in corn.

Soybeans had a rather good week, with futures rising in price slightly less than 7%, from \$9.5338 to \$10.2012 from Tuesday to Thursday on CBOT. The reason of such an increase was fears of heavy rains damaging the crops and delaying harvesting in Argentina. Futures for July delivery failed to retain such highs, as most of the intraday gains were erased on Friday, with price down 3.41% to \$9.8538 per bushel. Nonetheless, soybeans are the second largest US crop, while futures were at the highest levels since July 2015.

Coffee grains were also higher in price since the beginning of the week, as unfavourable weather forecasts sparked fears of production shortcoming. With prices rising for three days straight, the end-week drop was so severe (3.48%), that the stabilised at a one-week low of \$1.2275 a pound.

Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Corn	-1.7	1.9	1.42	-1.12	-2.4	-1.05
Wheat	1.39	2.38	-0.32	-3.36	-4.87	-5.01
Soybeans	3.32	10.05	13.66	11.19	1.71	2.52
Coffee	-1.2	-5.91	6.34	4.14	-12.67	-14.13

USDA Waste Total Estimated Inventories (\$) and Changes (%)

	Today	Month	6 Months	YTD	3 Years
Corn	206970	-2.33	6.04	-0.59	49.77
Wheat	237590	4.53	17.39	12.03	35.3
Soybeans	445	-3.26	4.71	20.27	256
Coffee	36692	16.33	16.33	-13.73	4.15

Farm Commodities Long-Term Price Forecasts (USD)

	Q2 16			Q3 16			Q4 16			Q1 17		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Corn	345	410	372.12	340	425	375.5	335	450	378.5	351	3 350	864.5
Wheat	440	620	504.08	423	620	512.67	397	680	510.9	423	525	475.43
Soybeans	860	950	896.44	810	950	888.11	830	950	897.56	826	940	886.71
Coffee	116.2	133.1	125.72	110	133.4	123.67	110	135	125.82	100	136	125.92

S&P GSCI Agriculture Index	%
Weekly	1.26
Monthly	1.37
3 Months	2.45
6 Months	-0.81
12 Months	-4.18

Correlation Matrix

