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Mallon AgCommodities Weekly Market Report

International Influences

This week's bull story in international news is China's purchase of 1 million tonnes of SRW wheat from the US over 3 consecutive days. This is a massive purchase over a short period of time.

Ocean freight rates for bulk cargoes have increased across the Supramax, Panamax and Capesize bulk cargo indexes. Evidence of this is seen in reports of freight rates between the Black Sea and South East Asia increasing US \$9/mt to US \$47/mt. This is good news for Australia as it will increase the competitiveness of Aussie grain into these markets.

The sharp increase in the indexes has been attributed to the drought in the Panama Canal as well as a general increase in demand for ocean freight. Drought in the Panama region is causing low canal levels which is restricting the ability of Panamax vessels to travel through the canal. Panamax vessels are being diverted via Cape of Good Hope and Cape Horn adding to vessel travel times.

Oil prices are easing with WTI crude oil falling below \$70/barrel for the first time since July. Hopefully, fuel prices will now ease!

Domestic Overview

The much needed rain that fell over the past 2 weeks was well received by most, however it has caused down grades in the last of the east coast harvested areas. Wheat on the Liverpool Plains, South west Slopes, Southern NSW and VIC have been hardest hit.

Downgraded wheat has provided buying opportunities for domestic feed homes that can handle low falling numbers and test weight. Reports are that SFW1 delivered Newcastle has traded as low as \$400 delivered and delivered Tamworth as low as \$390. This has/will have limited effect on the market as Australia had already harvested more than enough protein/milling wheat for domestic consumption before the rain.

Albus Lupin prices have firmed considerably rallying approximately \$70/t in the past month. Faba beans and Chickpea prices have been holding at relatively high levels.

Key

SRW Wheat: US Soft Red Winter Wheat, a feed wheat in the US. Chicago SRW Wheat futures are based of this grade.

Capesize: A bulk cargo ship with an approx. 170 000 tonne dead weight capacity. These ships are too big for the Panama Canal.

Panamax: A bulk cargo ship with a 65 000 to 80 000 tonne dead weight capacity. These cargo ships can go through the Panama Canal.

Supramax: A bulk cargo ship with a 50 000 to 60 000 tonne dead weight capacity.

WTI Crude Oil: West Texas Intermediate Crude Oil is a grade of oil which comes out of the US.





International Futures Pricing

Contract front month	Price	USD FOB
US No 2 Hard Red Winter Wheat (HRW)	651'2c/bu	297
US No 2 Soft Red Winter Wheat (SRW)	633'6c/bu	272
EU France Grade 1 Wheat (Rouen)	220.50 EU/mt	247
Russian 12.5 Milling Wheat	-	240
ASX East Coast Wheat Futures	395.00 AUD	297 (Adelaide Track Basis)
AUD/USD	.6556	
WTI Oil	69.77 USD/Barrel	

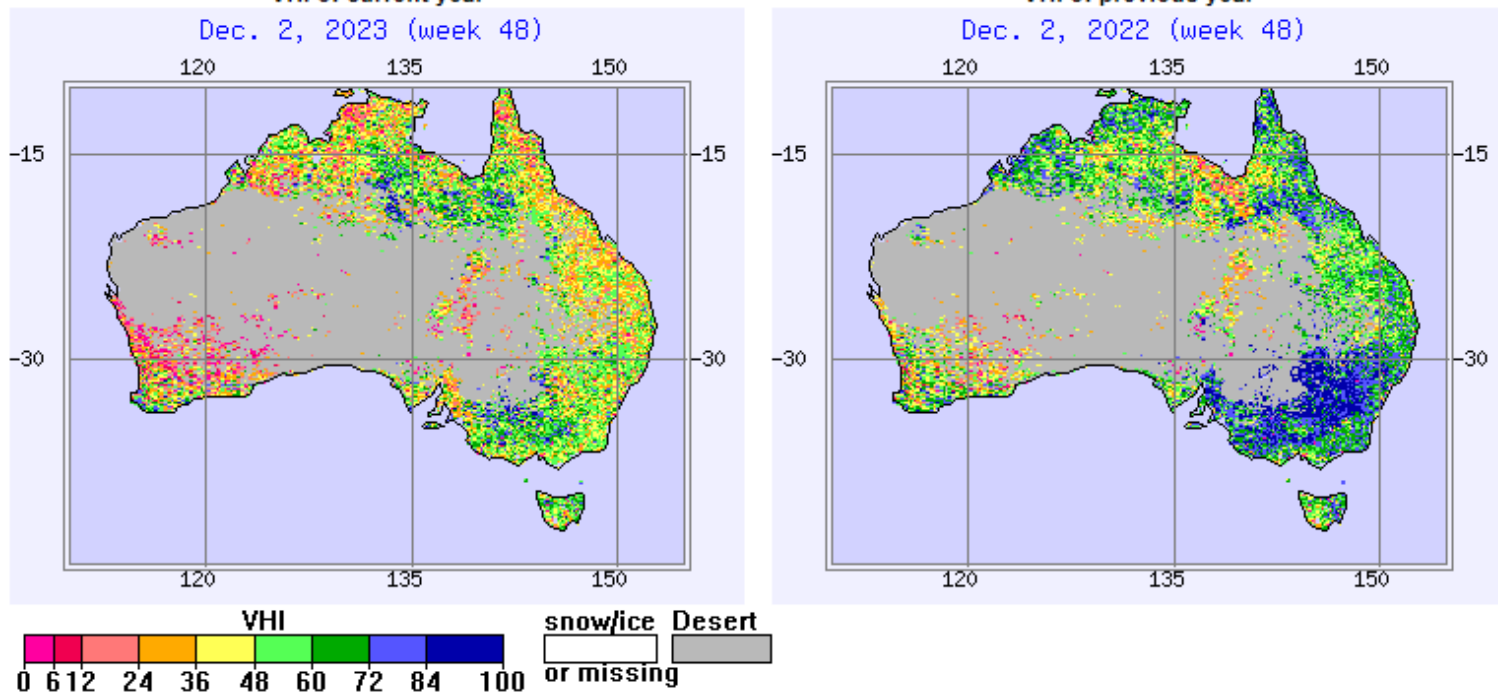
Domestic Pricing

Market/Commodity (\$/mt)	SFW1 Wheat	Barley 1	Sorghum	Cottonseed
Downs	430	432	420 New Crop	590
LPP	395	400	400 New Crop	570
Newcastle	405		415 New Crop	
Griffith Market Zone	360	345		
Melbourne	385	360		
Moree				570
Namoi Valley				570
Macquarie Valley				570
MIA				



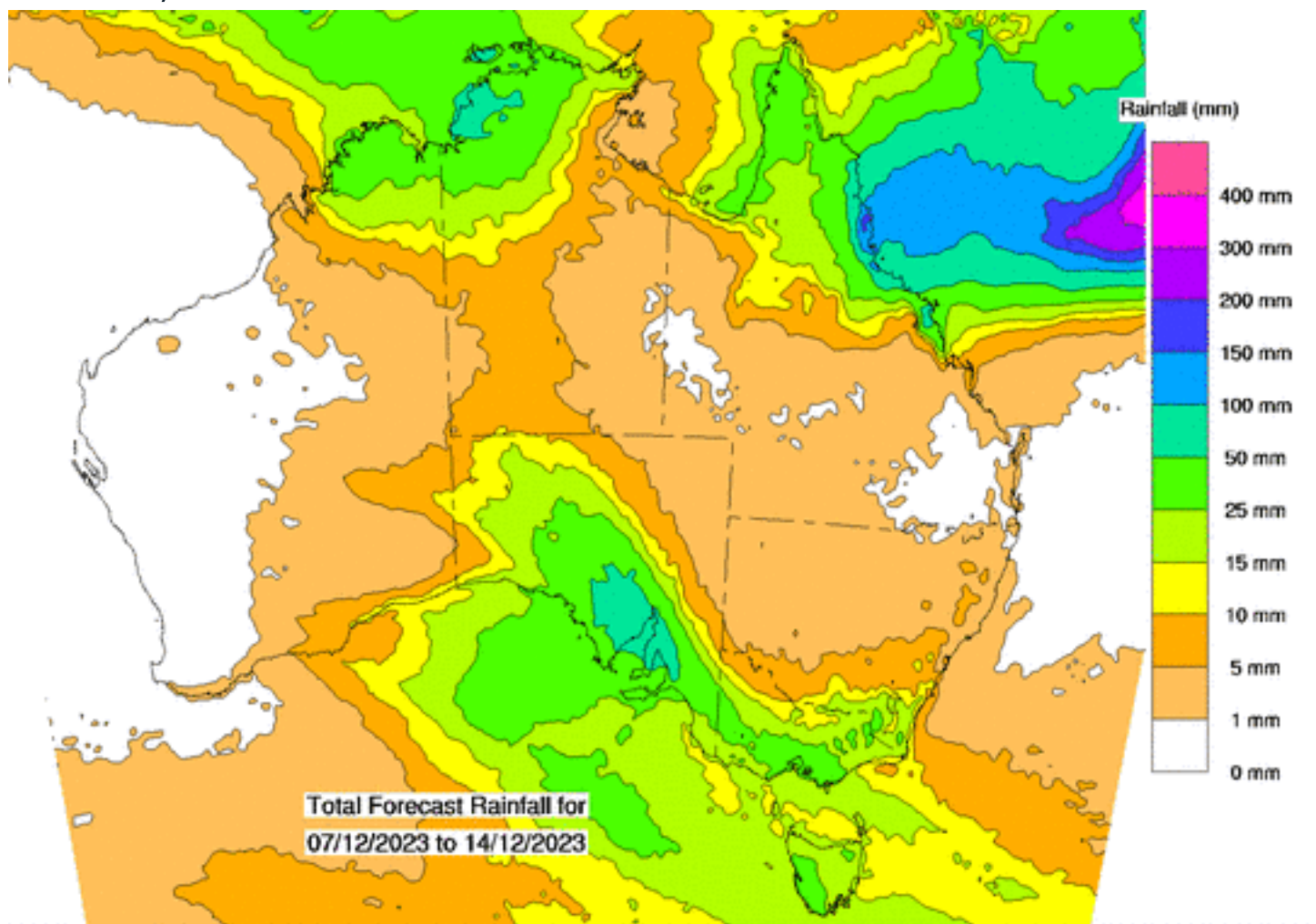
Australian Vegetation Health Index

Australia - Vegetation Health Index (VHI): Current Week and One Year Ago, 2023 week 48



Weather Influences

8 Day BOM Rainfall Forecast

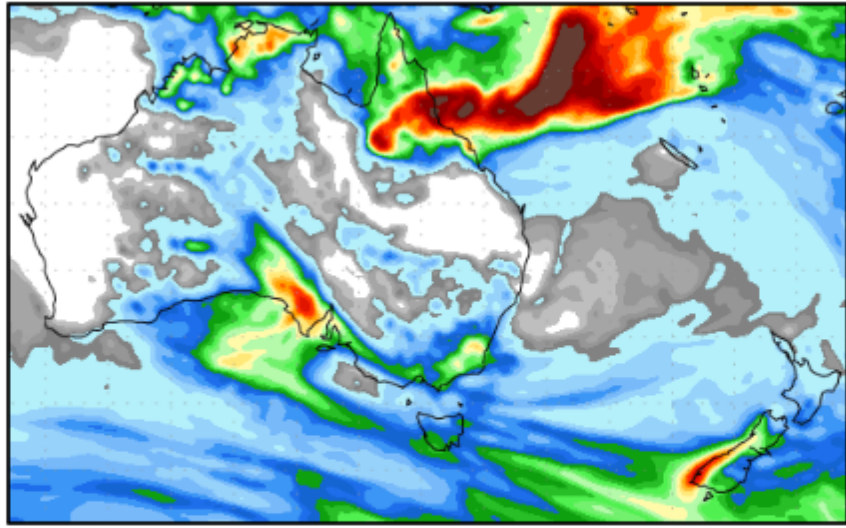




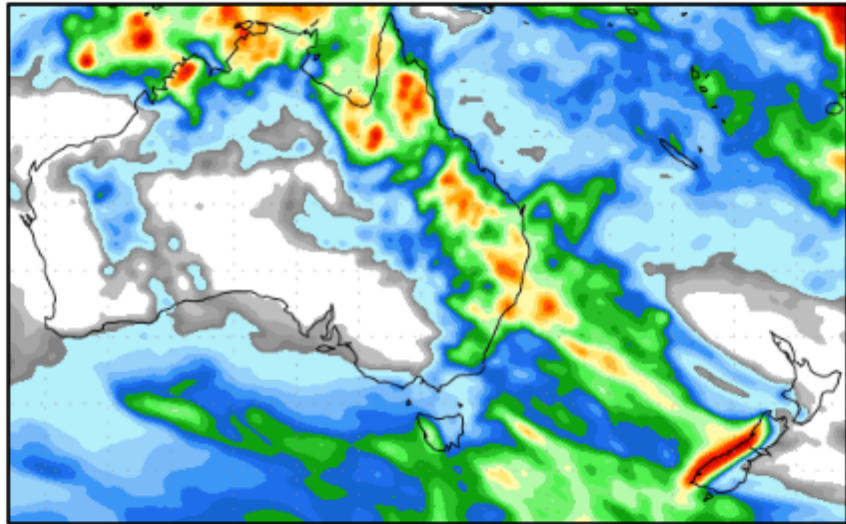
Precipitation Forecasts

Precipitation (mm)
during the period:

Wed, 06 DEC 2023 at 12Z
-to-
Thu, 14 DEC 2023 at 12Z

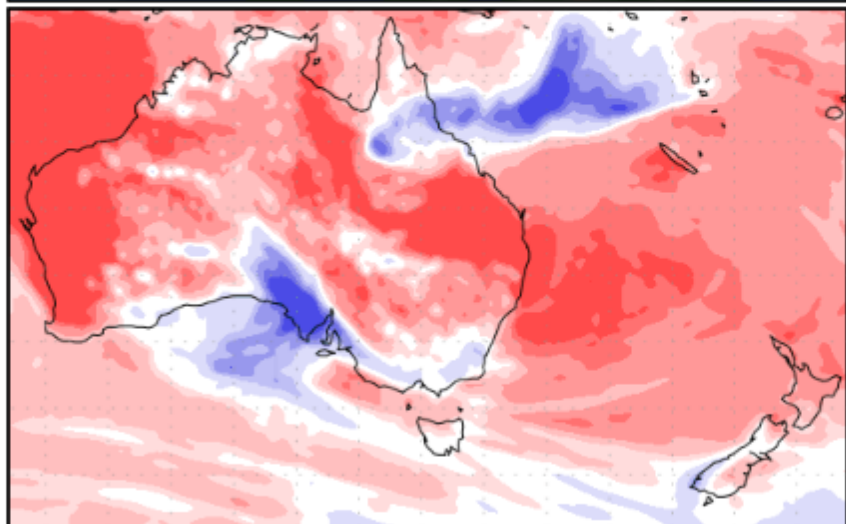
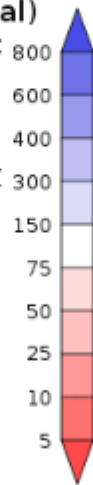


Thu, 14 DEC 2023 at 12Z
-to-
Fri, 22 DEC 2023 at 12Z



Precipitation (% of normal)
during the first period:

Wed, 06 DEC 2023 at 12Z
-to-
Thu, 14 DEC 2023 at 12Z



Precipitation forecasts from the National Centers for Environmental Prediction.
Normal rainfall derived from Xie-Arkin (CMAP) Monthly Climatology for 1979-2003.
Forecast Initialization Time: 12Z06DEC2023