

MAY 02, 2024
ISSUE NO 34
BLAKE MALLON

This ISSUE.

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MALLON
AgCommodities



NO.34

INTERNATIONAL Influences



Last week saw large advances in offshore wheat markets. US and European wheat futures surged higher as production threats due to weather in the US southern plains and Russia unnerved managed money, who are holding large short positions. Last week, CBOTs most active wheat contract rallied 10%, which was the largest weekly gain since February 2022. However, since then some of those gains (4%) have been given back due to improved rain forecast.

FOB price quotes have generally responded to futures by moving higher but not to the same degree. French wheat actually dropped as heavy stocks remain a problem for that region.

Reuters are reporting that two ships loaded with 120 000t of Russian wheat between them have been stuck on vessels for weeks for phytosanitary reasons despite being approved by Egypt's agricultural quarantine body. Similar problems occurred in March and April and vessels were eventually tipped. This would be hugely inefficient for supply chains as vessel demurrage charges are not cheap!

DOMESTIC Overview



Local markets remain weather-focused at the moment, although this is affecting new crop more than old crop. SA, WA and Vic are yet to have any significant planting rain. I read yesterday from a reliable source that Perth just recorded its driest October to April period on record. Some storms have passed through the growing regions over the past couple of days but not enough to inspire any confidence for crop germination.

More importantly though, NSW is expecting falls of 20-50mm of rain across the majority of the states growing region. This will provide a great start for already planted crops and planting moisture for areas not yet sown. As we all know, when our western regions around Walgett and Coonamble get planting rain, our state can grow big crops!

Local old crop grain markets have rallied \$25-\$30/t since my last report (11th April). This rally is due to a combination of tightening old crop grain stocks as grain is drawn down to satisfy local markets and dry weather premiums showing in new crop markets (in WA, SA and Vic). New crop markets often weigh on old crop markets as when there looks too little new crop grown, growers stop selling what they have left and buyers know they have to pay up to secure what remains.

Key

Managed Money: Investment companies who invest other peoples money at a fee and invest it in a variety of financial products including wheat futures.

CBOT: Chicago Board Of Trade. US wheat futures exchange based on Soft Red Winter Wheat.

FOB: Free On Board. Quoted in USD/t. A good way of comparing wheat prices at different origins.

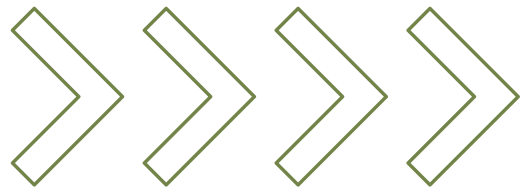


INTERNATIONAL Futures Pricing

Contract Front Month	Price	USD FOB
US No 2 Hard Red Winter Wheat (HRW)	631.2	277
US No 2 Soft Red Winter Wheat (SRW)	602'6	233
EU France Grade 1 Wheat (Rouen)	204.75	223
Russian 12.5 Milling Wheat		214
ASX East Coast Wheat Futures	344	263(Adelaide Track Basis)
AUD/USD	0.6526	
WTI Oil	79.09	



DOMESTIC Pricing

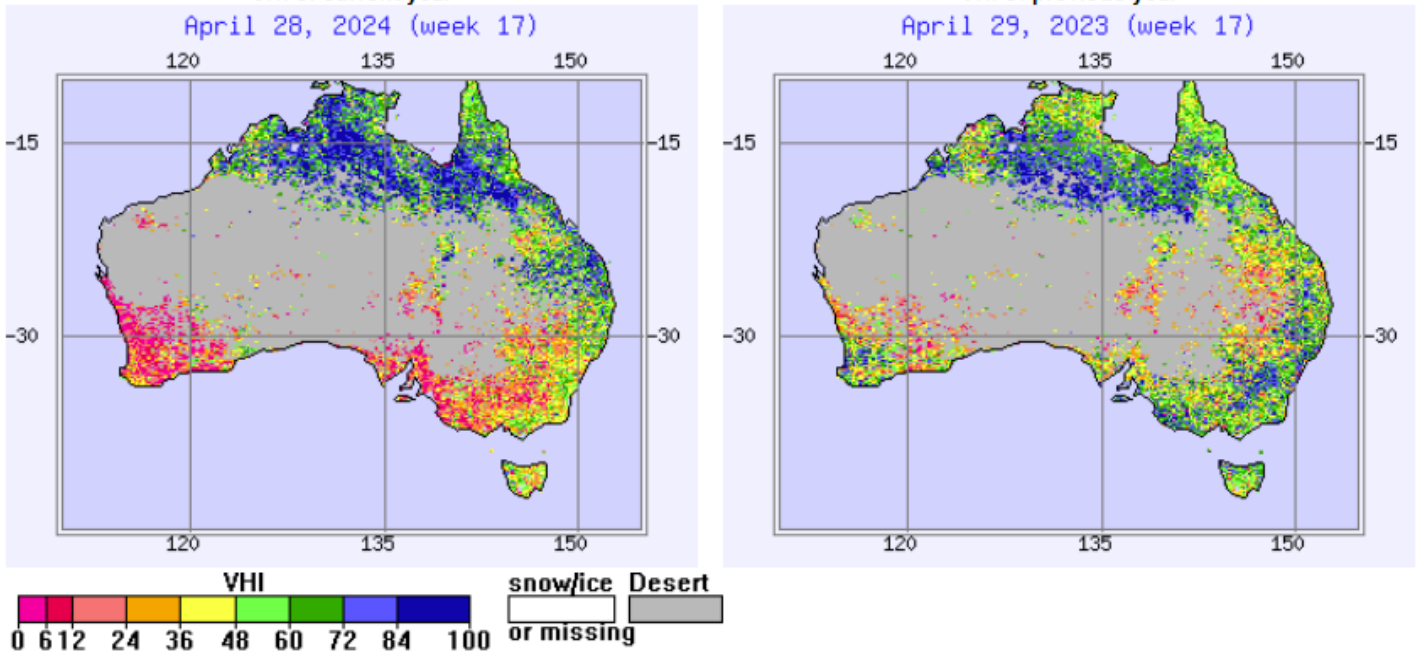


Market/Commodity (\$/mt)	SFW1 Wheat	Barley 1	Sorghum	Cottonseed
Downs	400	405	350	
LLP	370	375	355	
Newcastle	380		375	
Griffith Market Zone	345 (asw1)	335		
Melbourne	360	360		
Moree				465
Namoi Valley				
Macquarie Valley				455
MIA				485

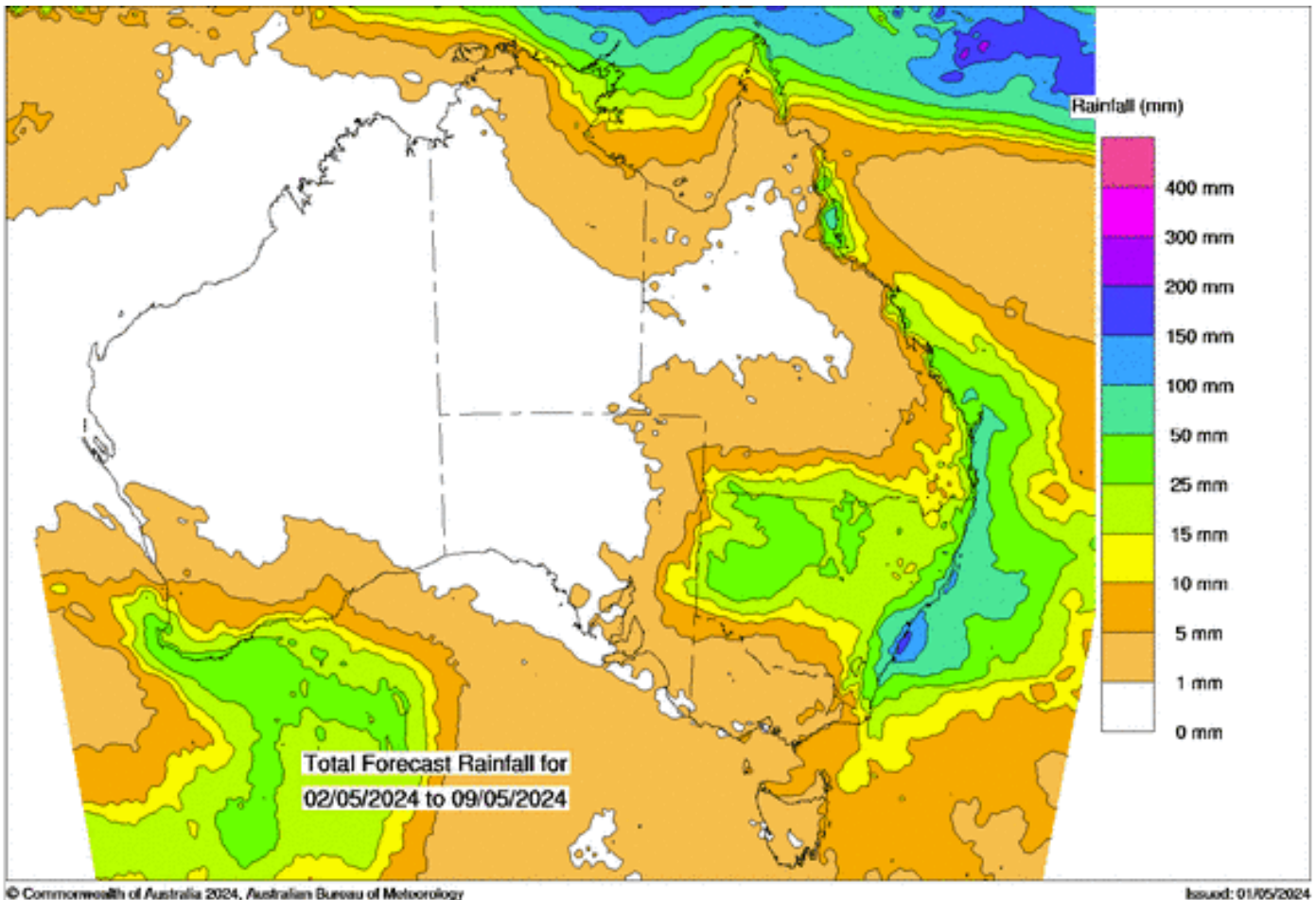


Vegetation Health Index

Australia - Vegetation Health Index (VHI): Current Week and One Year Ago, 2024 week 17



8 Day BOM Rainfall Forecast

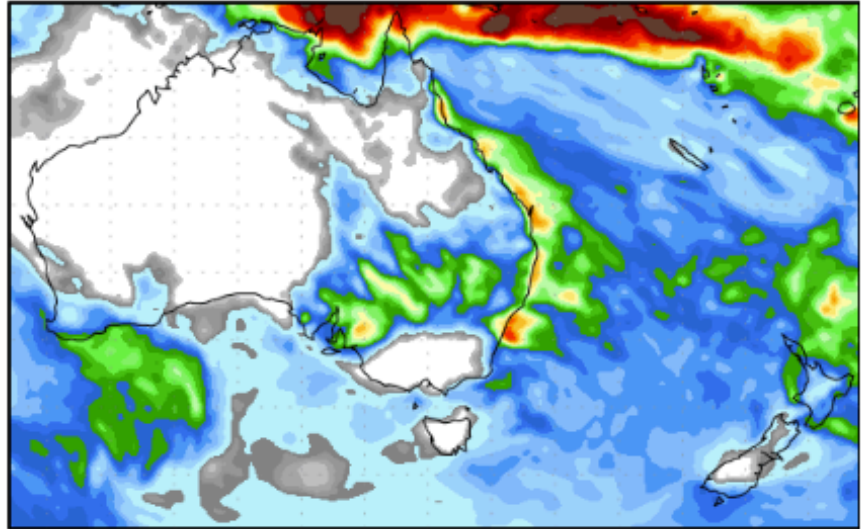
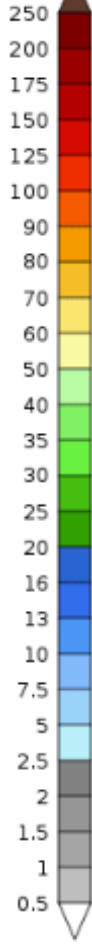


WX Maps Precipitation Forecasts

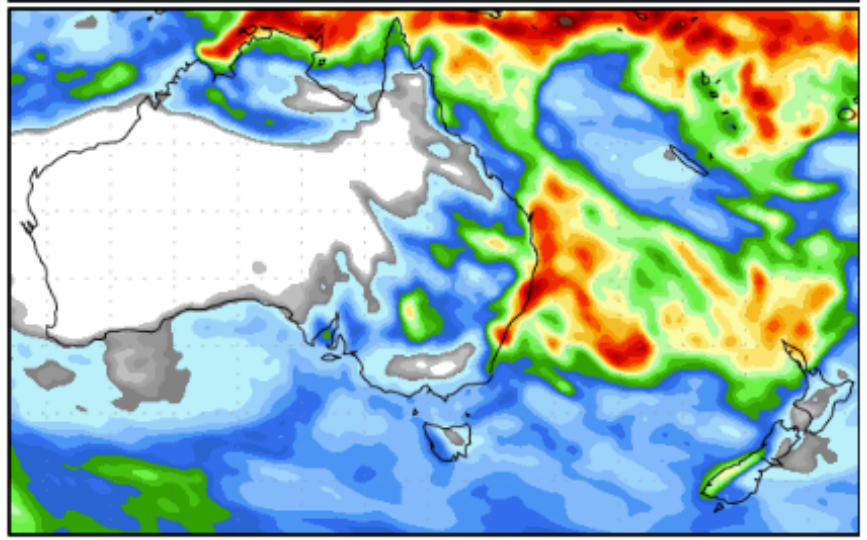
Precipitation Forecasts

Precipitation (mm)
during the period:

Wed, 01 MAY 2024 at 12Z
-to-
Thu, 09 MAY 2024 at 12Z

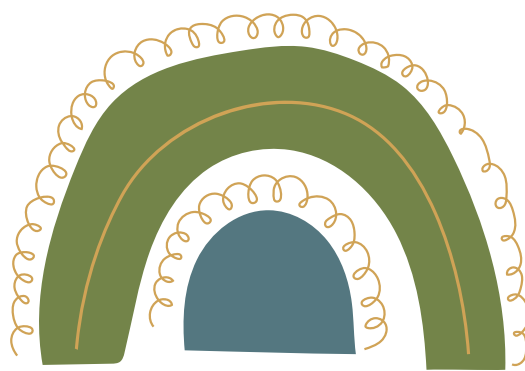
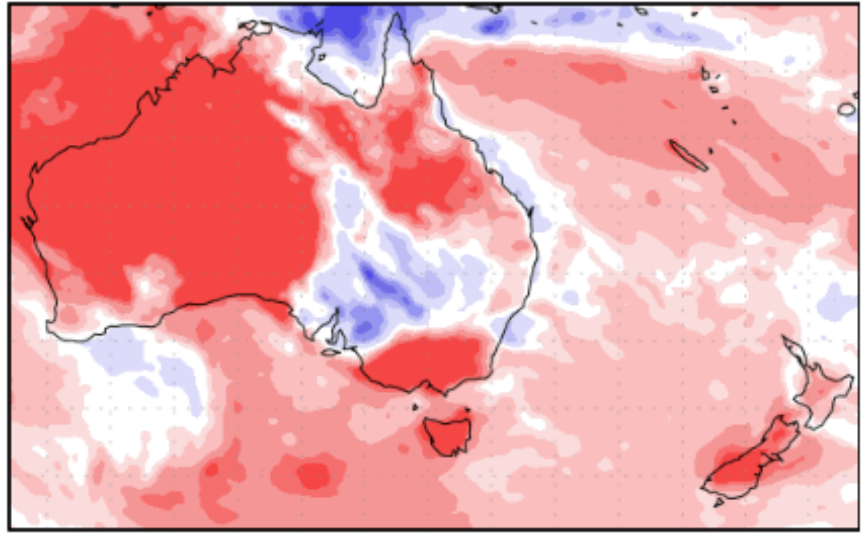
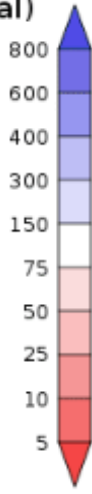


Thu, 09 MAY 2024 at 12Z
-to-
Fri, 17 MAY 2024 at 12Z



Precipitation (% of normal)
during the first period:

Wed, 01 MAY 2024 at 12Z
-to-
Thu, 09 MAY 2024 at 12Z



Bridging the Gap Between Farmers and Optimal Marketing Pathways

At Mallon AgCommodities, our primary goal is to connect farmers with the most promising marketing opportunities, while also catering to consumers who require grain for feedlotting, feed processing, or supplement feeding.

By taking on the complexities of commodity trading and logistics, we free you up to concentrate on what you do best. Contact us today for an outstanding and streamlined service experience.



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Lets chat!



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