



US spring wheat prices lead the complex higher.

- **Markets:** US non-farm payrolls (employment) rose by 54,000 in May, well down on the 232,000 increase in jobs in April and short of economist predictions for an increase in jobs of 150,000. The unemployment rate rose from 9.0% to 9.1%. But the ISM services gauge rose from 52.8 to 54.6 in May. European shares rebounded in late trade to finish mixed on Friday after Greece said it successfully concluded talks with inspection teams from the European Union and International Monetary Fund. However US sharemarkets fell in response to weaker-than-expected employment data.
- **Currencies:** The AUD rose 1% to USD1.0758 Friday night (London close) while the USD index fell 0.7% to 73.8 pts.
- **Weather:** A trough is causing showers and storms to increase about the NSW and QLD coasts and ranges. A strong cold front is crossing WA causing scattered showers over inland areas. A large high pressure system is keeping skies mostly clear and dry elsewhere. (www.weatherzone.com.au)
- **Grains:** US grain markets finished mixed on Friday.
 - CBOT wheat (Jul 11) finished 4 cents (0.5%) firmer at USc773.75/bu on Friday night; however the Dec 11 contract ended a tick weaker at USc871/bu (~A\$305). Old-crop Minneapolis spring wheat futures led the complex higher on Friday after posting 41 cents (4%) gains and closing at fresh contract highs. Continued wet-weather planting delays in US northern Spring wheat regions remains the most supportive factor in the market at the moment, however the weaker USD and handy US wheat export sales last week also supported to prices for the session. US wheat sales for the week ended 26th May came in at 308.8 thousand tonnes, within estimates of 200-500 thousand tonnes, but below the previous week's result of 432 thousand tonnes.
 - CBOT corn (Jul 11) dropped 12 ½ cents (1.6%) to USc754/bu, largely on the back of improved late season planting forecasts for the US corn crop. Warmer and drier weather is expected to allow many Midwest farmers to sharply lift their corn planted area after weeks of delays. But conditions were not great everywhere with weekend rain in Ohio expected to have delayed planting. US corn export sales last week came in at 701 thousand tonnes, down 80 thousand from last week, but within the range trade estimates.
 - ASX NSW wheat for Jan 12 delivery ended slightly lower at \$297/t on Friday amid solid volumes while Jan 12 east coast feed barley fell \$1.5 to \$240/t. Winter crop conditions in Australia are mostly satisfactory.
- **Oilseeds:** CBOT soybeans ended firmer across the curve again on Friday with the July 11 contract closing up 7.5 cents (0.5%) at USc1414.50/bu, the highest weekly close since mid-March. US soybean export sales were 155 ½ thousand tonnes, roughly in line with the previous week's result but at the very tail-end of trade estimates. Reuters noted that US cash basis weakened in the western Midwest following a significant flurry of farmer sales. Canadian canola (Jul 11) rose C\$1.7 to C\$597.1/t on continued slow planting in many areas and the weaker Canadian dollar.
- **Cotton:** After surging by more than 11 ½ cents from Tuesday to Thursday last week, the Jul 10 NY cotton contract slumped 261pts to USc161.63/lb on Friday night. Another terrible weekly US export sales result put the cotton market on the back foot on Friday. Total net cancellations of 73 thousand bales were recorded last week, including 46 thousand old-crop supplies and 27 new-crop supplies. However the cotton complex remains wary that the new-crop production concerns, which caused the 11½ cents rally earlier in the week, have not abated. These competing influences are likely to plague the cotton market for some time yet.
- **Sugar:** NY raw sugar (Jul 11) rallied 1.8% (43pts) to a 1½-month high of USc23.95/lb on the back of the weaker USD and further talk that the Brazilian crop may miss estimates. Increasing import demand ahead of Ramadan – which begins 1st August – also supported prices according to newswires. Finally, port congestion is currently being observed in Thailand.
- **Crude Oil:** NYMEX crude oil (Jul 11) ended 0.2% weaker at USD100.22/bl.

Ag Commodity Markets: Daily Price Summary*

Commodity	Unit	Jul 11	Dec 11	Dec 12
US Wheat (CBOT)	USc/bu	774 +0.5%	871 -0.1%	946 0.0%
	AUD/t **	265 -0.5%	305 -1.0%	347 -1.0%
AU Wheat - East (ASX)	Unit	Jul 11	Jan 12	Jan 13
	AUD/t	290 -2.2%	297 -0.2%	325 +0.5%
AU Wheat - WA (ASX)	Unit	Jul 11	Jan 12	Jan 13
	AUD/t	376 0.0%	322 +2.1%	336 +2.0%
US Soybeans (CBOT)	USc/bu	1415 +0.5%	1397 +0.3%	1357 +0.5%
	AUD/t **	485 -0.5%	487 -0.7%	492 -0.5%
CA Canola (ICE)	CAD/t	597 +0.3%	600 +0.1%	575 -0.6%
	AUD/t **	571 -0.5%	581 -0.7%	574 -1.4%
AU Canola (ASX)	Unit	Jul 11	Jan 12	Jan 13
	AUD/t	535 0.0%	580 0.0%	580 0.0%
US Corn (CBOT)	USc/bu	754 -1.6%	686 -1.3%	612 -0.5%
	AUD/t **	277 -2.6%	257 -2.2%	241 -1.5%
AU Barley (ASX)	Unit	Jul 11	Jan 12	Jan 13
	AUD/t	222 -1.1%	240 -0.6%	245 -0.6%
AU Sorghum (ASX)	Unit	Jul 11	May 12	May 13
	AUD/t	228 0.0%	242 +4.1%	242 +4.1%
US Raw Sugar (ICE)	USc/lb	23.95 +1.8%	23.61 +1.0%	22.83 -0.3%
	AUD/t **	492 +0.8%	490 0.0%	497 -1.2%
US Cotton (ICE)	USc/lb	161.63 -1.6%	138.70 -0.4%	113.67 -1.3%
	AUD/bale **	754 -2.6%	660 -1.4%	554 -2.3%
AU Wool EMI (AWEX)	Unit	Latest	% chg	Last Pricing
	AUD/kg	13.98	0.0%	2/6/11
AU Cattle (EYCI)	Unit	Latest	% chg	Last Pricing
	AUD/kg	3.88	0.0%	3/6/11
Crude Oil (WTI)	Unit	Latest	% chg	Last Pricing
	USD/bl	100.22	-0.2%	3/6/11
	AUD/bl **	93.16	-1.2%	3/6/11
Commodity Indices	Unit	Latest	% chg	Last Pricing
	S&P Agri & L'stock (USD)	1367	0.1%	3/6/11
	S&P Agri & L'stock (AUD)	1270	-0.9%	3/6/11
	S&P All Commodities (USD)	5305	0.2%	3/6/11
	S&P All Commodities (AUD)	4931	-0.8%	3/6/11
Currencies	Unit	Latest	pts chg	% chg
	AUD/USD	1.0758	0.0107	1.0%
	AUD/CAD	1.0499	0.0084	0.8%
	AUD/JPY	86.36	0.24	0.3%
	USD Index	73.8	-0.5	-0.7%
Equity Markets	Unit	Latest	pts chg	% chg
	ASX S&P200	4583	-17	-0.4%
	US DJI	12151	-97	-0.8%
	UK FTSE	5855	7	0.1%

* Prices are the closing exchange traded futures prices.

Changes are daily. Last pricing date is 03/06/11, previous pricing date is 02/06/11

Sources: Bloomberg and CBA

** AUD Equivalent Price



Figure 1: CBOT Wheat (1st Contract, US\$/bu)

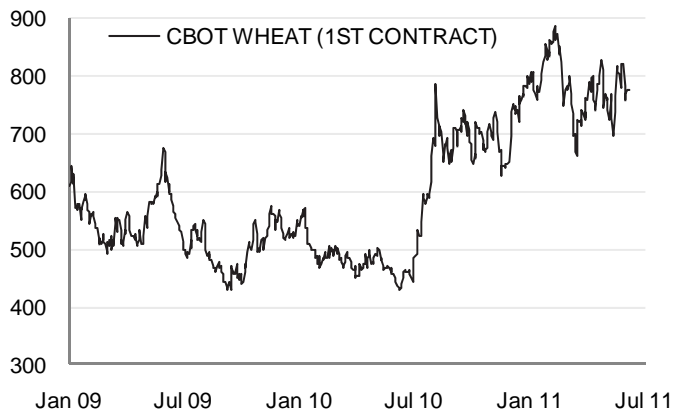


Figure 2: ASX NSW Wheat (Jan 12 Contract, A\$/t)



Figure 3: CBOT Corn (1st Contract, US\$/bu)

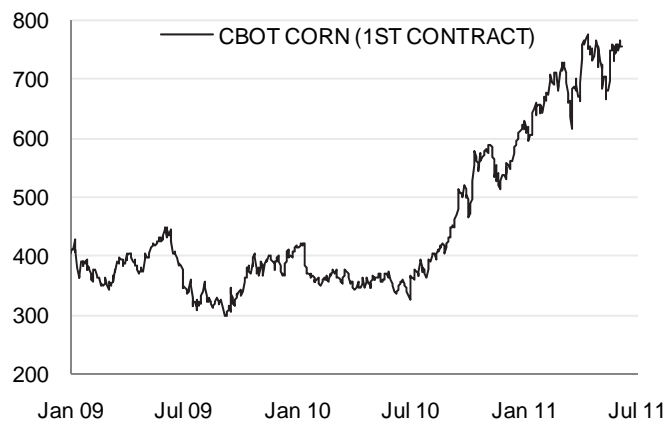


Figure 4: ASX Feed Barley (Jan 12 Contract, A\$/t)

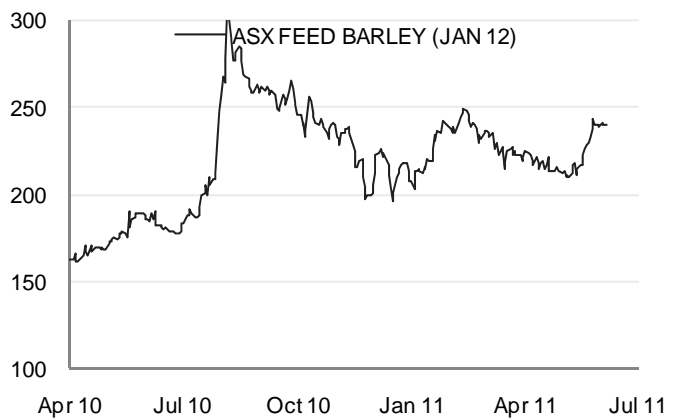


Figure 5: CBOT Soybeans (1st Contract, US\$/bu)

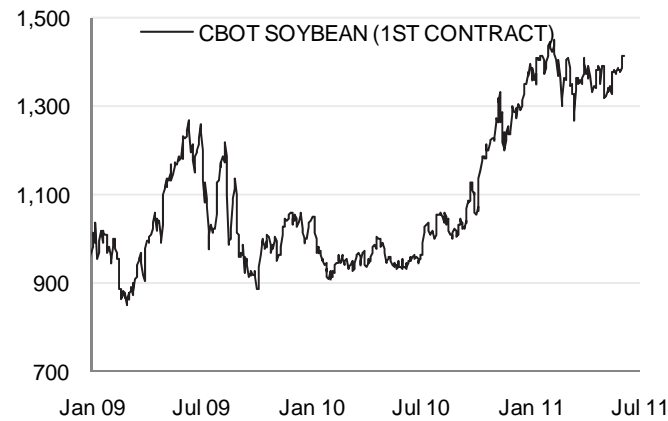


Figure 6: ICE Canola (1st Contract, C\$/t)

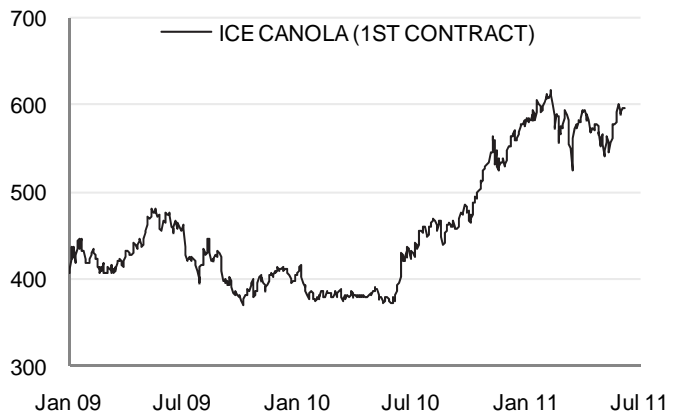


Figure 7: ICE Cotton (1st Contract, US\$/lb)

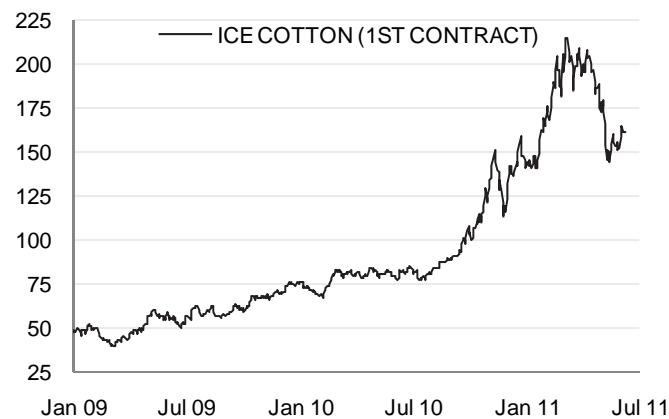


Figure 8: ICE Sugar (1st Contract, US\$/lb)





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