

Ag markets mostly weaker on Monday...

- **Markets:** Ratings agency Standard and Poor's has slashed the credit rating of Greece by three notches from B to CCC and retained a negative outlook on the rating. S&P has also warned that it would view a debt restructuring as a default. Despite Greece's credit woes, European shares recorded modest gains on Monday. US equities were largely unchanged for the day.
- **Currencies:** The AUD dipped 0.1% to USD1.0548 overnight (London close) while the USD index fell 0.4% to 74.5pts.
- **Weather:** A low and a trough in the east are generating heavy rain in northeastern NSW, leading to flash flooding. A moist easterly flow is triggering showers elsewhere over eastern NSW and southern QLD. A cold front over southwest WA, leading to widespread strong wind and showers. (www.weatherzone.com.au)
- **Grains:** US grain markets fell overnight.
 - CBOT wheat (Jul 11) fell 16 ¼ cents (2.1%) to USc743/bu while the Dec 11 contract fell 9 ¼ cents to USc816.5/bu. World Weather Inc. indicates that crops in Europe and the western CIS should gradually improve from occasional showers, however significant issues remain in Canada and the northern US plains where too much rain continues to stall planting. Finally, rain in the central US plains is being monitored as a potential threat to grain quality. After the session closed the USDA indicated that winter wheat harvesting progress in the US is 22% complete compared 10% the week prior – normally just 13% of the crop is harvested by now. And winter wheat crop conditions improved by 1pt to 35% good-to-excellent. However spring wheat planting remains worrisome – only 88% of the crop is seeded and it should be 100% complete. Just 73% has emerged vs. the normal seasonal pace of 97%.
 - CBOT corn (Jul 11) fell 4 ½ cents (0.6%) to USc782.5/bu. Improving crop weather from the US Midwest to Europe to China weighed on values, as did relatively disappointing US corn export inspections in the latest week. Exports came in at 32 million bushels, down 15% week-on-week. After the close the USDA indicated that 99% of the 'intended' corn acreage has been planted, up from 94% the week prior (but recall that the 'intended' acreage estimate was reduced last week). Crop conditions improved last week with 69% of the crop now rated good-to-excellent vs. 67% the week prior. The spring barley crop in the US is struggling – planting is normally completed by the second week of June, but this year only 88% has been seeded.
 - ASX grain markets were closed yesterday.
- **Oilseeds:** CBOT soybeans (Jul 11) fell 0.3% (4½¢) to USc1382.75/bu. Soybean planting progress in the US advanced strongly last week, rising to 87% complete from 68% the week before. 64% of the crop is now estimated to have emerged, up from just 44% the week before; and 67% of the crop is rated good to excellent. Canadian canola (Jul 11) fell C\$1.2 to C\$589/t.
- **Cotton:** NY cotton (Jul 10) ended 92pts firmer at USc150.95/lb, however the Dec 11 contract closed 207pts weaker at USc131.58/lb. New-crop values fell in response to better-than-expected weekend rainfall throughout West Texas and Oklahoma. Totals were probably sufficient to promote germination for many dryland crops and provide a temporary alleviation to irrigation requirements. But still, World Weather reports that the totals were too light to seriously change the poor crop situation and much more rain is urgently needed. According to the USDA just 28% of the US cotton crop is rated good-to-excellent compared to 62% this time last year.
- **Sugar:** NY raw sugar (Jul 11) ended a touch weaker at USc25.59/lb. Unica's bi-weekly production report for Brazil's centre-south region showed that recently improved weather allowed faster sugarcane harvesting. Sugar output in the second half of May reached 2.4 million tonnes, up 6.8% from a year earlier, while ethanol production reached 1.7 million litres, up 1.25% year-on-year. Year-to-date sugar production is only 4.7 million tonnes, down 29% from 2010 when the crush started much earlier.
- **Crude Oil:** NYMEX crude oil (Jul 11) dropped 2% to USD97.3/bbl.

Ag Commodity Markets: Daily Price Summary*

US Wheat (CBOT)	Sep 11	Dec 11	Dec 12
USc/bu	776 -1.2%	817 -1.1%	900 -1.2%
AUD/t **	274 -1.1%	291 -1.0%	336 -1.1%
AU Wheat - East (ASX)	Jul 11	Jan 12	Jan 13
AUD/t	~ ~	287 -2.0%	~ ~
AU Wheat - WA (ASX)	Jul 11	Jan 12	Jan 13
AUD/t	~ ~	~ ~	~ ~
US Soybeans (CBOT)	Nov 11	Jan 12	Nov 12
USc/bu	1377 -0.4%	1387 -0.3%	1368 +0.6%
AUD/t **	489 -0.3%	496 -0.2%	505 +0.7%
CA Canola (ICE)	Jul 11	Nov 11	Nov 12
CAD/t	589 -0.2%	592 -0.2%	576 -0.2%
AUD/t **	572 -0.2%	582 -0.2%	583 -0.2%
AU Canola (ASX)	Jul 11	Jan 12	Jan 13
AUD/t	~ ~	~ ~	~ ~
US Corn (CBOT)	Dec 11	Mar 12	Dec 12
USc/bu	705 -1.1%	716 -0.9%	641 -0.3%
AUD/t **	269 -1.0%	277 -0.8%	256 -0.3%
AU Barley (ASX)	Jul 11	Jan 12	Jan 13
AUD/t	~ ~	~ ~	~ ~
AU Sorghum (ASX)	Jul 11	May 12	May 13
AUD/t	~ ~	~ ~	~ ~
US Raw Sugar (ICE)	Jul 11	Oct 11	Oct 12
USc/lb	25.59 -0.2%	24.38 -0.7%	23.24 +0.3%
AUD/t **	536 -0.1%	516 -0.6%	515 +0.3%
US Cotton (ICE)	Jul 11	Dec 11	Jul 12
USc/lb	150.95 +0.6%	131.58 -1.5%	111.69 -0.8%
AUD/bale **	717 +0.7%	636 -1.5%	555 -0.8%
AU Wool EMI (AWEX)	Latest	% chg	Last Pricing
AUD/kg	14.20	0.0%	9/6/11
AU Cattle (EYCI)	Latest	% chg	Last Pricing
AUD/kg	3.84	0.0%	10/6/11
Crude Oil (WTI)	Latest	% chg	Last Pricing
USD/bbl	97.3	-2.0%	13/6/11
AUD/bbl **	92.24	-1.9%	13/6/11
Commodity Indices	Latest	% chg	Last Pricing
S&P Agri & L'stock (USD)	1361	-0.5%	13/6/11
S&P Agri & L'stock (AUD)	1290	-0.4%	13/6/11
S&P All Commodities (USD)	5277	-0.9%	13/6/11
S&P All Commodities (AUD)	5003	-0.8%	13/6/11
Currencies	Latest	pts chg	% chg
AUD/USD	1.0548	-0.0010	-0.1%
AUD/CAD	1.0323	-0.0002	0.0%
AUD/JPY	84.62	-0.11	-0.1%
USD Index	74.5	-0.3	-0.4%
Equity Markets	Latest	pts chg	% chg
ASX S&P200	~	~	~
US DJI	11953	1	0.0%
UK FTSE	5773	8	0.1%

* Prices are the closing exchange traded futures prices.

Changes are daily. Last pricing date is 13/06/11, previous pricing date is 10/06/11

Sources: Bloomberg and CBA

** AUD Equivalent Price



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

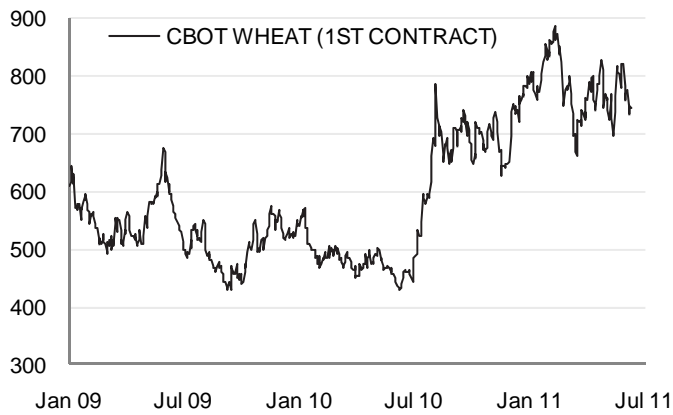


Figure 2: ASX NSW Wheat (Jan 12 Contract, A\$/t)



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

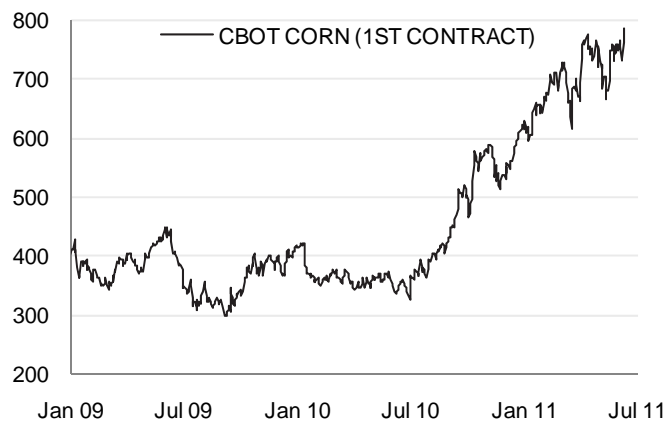


Figure 4: ASX Feed Barley (Jan 12 Contract, A\$/t)

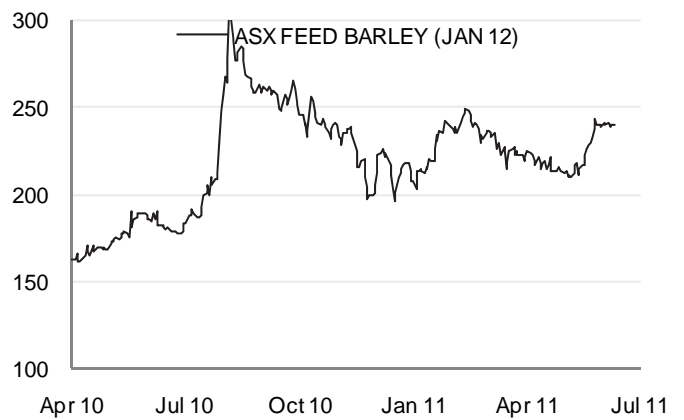


Figure 5: CBOT Soybeans (1st Contract, US\$/bu)

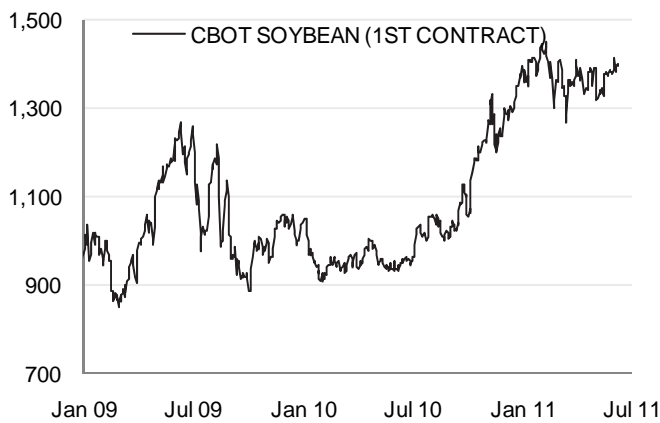


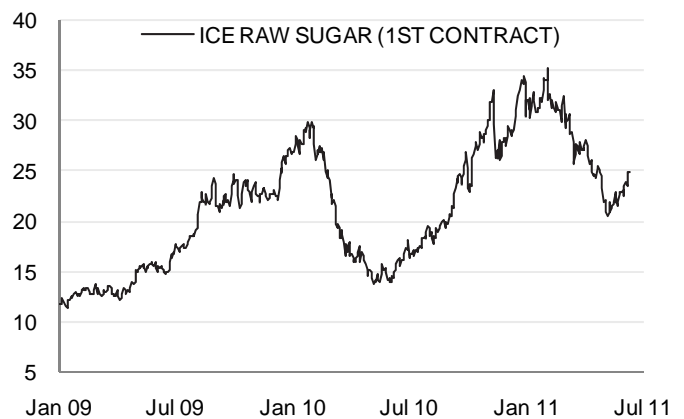
Figure 6: ICE Canola (1st Contract, C\$/t)



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



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





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