

OECD lowers world economic growth forecast...

- **Markets:** The OECD lowered 2012 world economic growth from 4.6% to 3.4% in its latest forecasts. Highlighting that the biggest risk to the global economy is the euro zone debt crisis and a breakup of the euro currency can no longer be ruled out. Chinese growth forecasts have been cut from 9.2% to 8.5% for 2012, while the UK economy is expected to go back into recession. US new home sales are still weak, but rose by 1.3% in October. The supply of new homes on the market eased modestly from 6.4 to 6.3 months' supply. The Dallas Fed Manufacturing Index rose from 2.3 to 3.2 in November. European shares recorded their biggest one day gain in a month on Monday. Hopes of further measures to help resolves the debt crisis and a push for a more centralised fiscal authority drove sentiment. US shares also rallied strongly.
- **Currencies:** The AUD bounced 2% to USD0.9896 overnight (London close) while the USD index fell 0.5% to 79.3pts.
- **Weather:** A trough over QLD is triggering thunderstorms. A trough stretching from WA across SA into VIC and TAS is drawing northerly winds ahead of showers and storms. A high pressure ridge is directing mild onshore winds over southwest WA. (www.weatherzone.com.au)
- **Grains:** US grain markets rose modestly overnight.
 - CBOT wheat (Dec 11) ended marginally firmer at US\$574.75/bu last night while the Mar 12 contract rose 4 cents to US\$593/bu. But both contracts closed well off their session highs. A general improvement in investor risk appetite supported grain markets last night, yet Chicago wheat prices are still down 11% for the month. Slow demand for US wheat continues to remain a fundamental drag on prices, and Reuters reported that Russian wheat prices are under pressure because of competitively priced Ukraine, Kazak and Argentinean supplies. US wheat export inspections for the week ended 24 Nov came in at 15.4 million bushels, up 12% for the week but still 31% down year-on-year. According to the USDA 92% of the US winter wheat crop has now emerged (which is in line with normal) and crop ratings improves from 50% to 52% good to excellent.
 - CBOT corn (Dec 11) rallied 1.6% (9¼¢) to US\$591.75/bu overnight, despite another sluggish US corn export result. US corn export inspections fell 19% to 30.6 million bushels in the week ended 24 Nov; the result was 5% lower year-on-year. The bounce in global risk appetite supported corn prices.
 - ASX NSW wheat (Jan 12) traded down to \$217/t yesterday, pressured by continued weakness in global grain markets and the firmer AUD. WA Jan 12 wheat fell \$2 to \$227/t. East coast floods are the focus of the local industry. The ABS reported that Australia's bulk wheat stocks at the end of October were 7.3 million tonnes, 11% lower than September.
- **Oilseeds:** CBOT soybeans (Jan 11) rose 1.3% (14 ½ ¢) to US\$1121/bu with similar gains across the curve. Canadian canola (Jan 11) ended marginally firmer at C\$503.4/t. Stronger global equity markets, firmer crude oil markets and the weaker USD supported the gains in the oilseed pit last night. But continued favourable crop development in South America continues to hang over the market, with one Brazilian consult raising its estimate of Brazil's soybean crop from 73.8 million tonnes to 74.8 million tonnes. In trade news, Reuters reported that China's soybean imports may lift to 5.6 million tonnes in November from 3.8 million in October. Finally, US soybean export inspections rose 1.3% to 41.4 million bushels in the latest week.
- **Cotton:** NY cotton (Dec 11) rose 48pts (0.5%) last night to US\$91.30/lb, supported by the improvement in investor risk appetite. However, prices are down more than 9% month-to-date and the downward revisions to global economic growth forecasts do not bode well for final apparel demand. The US cotton harvest is now 92% complete according to the USDA.
- **Sugar:** NY raw sugar (Mar 12) bounced 1% (22pts) to US\$23.12/lb, however values still remain roughly 12% lower for the month.
- **Crude Oil:** NYMEX crude oil (Dec 11) rose 1.0% to USD97.78/bl.

Ag Commodity Markets: Daily Price Summary*

		Dec 11	Mar 12	Dec 12
US Wheat (CBOT)	US\$/bu	575 +0.0%	593 +0.7%	661 +0.5%
	AUD/t **	214 -1.9%	222 -1.3%	253 -1.4%
AU Wheat - East (ASX)		Jan 12	Mar 12	Jan 13
	AUD/t	218 -0.5%	218 -0.9%	238 -0.8%
AU Wheat - WA (ASX)		Jan 12	Mar 12	Jan 13
	AUD/t	228 -0.7%	228 -0.7%	250 -0.6%
US Soybeans (CBOT)	US\$/bu	1121 +1.3%	1136 +1.5%	1134 +1.5%
	AUD/t **	418 -0.7%	432 -0.5%	440 -0.4%
CA Canola (ICE)		Jan 12	Nov 12	Nov 13
	CAD/t	503 +0.0%	487 +0.6%	496 +0.6%
	AUD/t **	493 -0.5%	485 +0.1%	503 +0.1%
AU Canola (ASX)		Jan 12	Mar 12	Jan 13
	AUD/t	500 0.0%	500 0.0%	500 0.0%
US Corn (CBOT)	US\$/bu	592 +1.6%	599 +1.4%	546 +1.9%
	AUD/t **	236 -0.4%	241 -0.6%	224 -0.1%
AU Barley (ASX)		Jan 12	Mar 12	Jan 13
	AUD/t	180 0.0%	185 0.0%	202 0.0%
AU Sorghum (ASX)		Jan 12	May 12	May 13
	AUD/t	210 0.0%	202 0.0%	202 0.0%
US Raw Sugar (ICE)		Mar 12	Oct 12	Oct 13
	US\$/lb	23.12 +1.0%	22.62 +1.2%	22.58 +1.3%
	AUD/t **	520 -1.0%	516 -0.7%	526 -0.5%
US Cotton (ICE)		Dec 11	Jul 12	Jul 13
	US\$/lb	91.30 +0.5%	90.04 +0.1%	89.12 +0.7%
	AUD/bale **	462 -1.4%	464 -1.8%	471 -1.2%
AU Wool EMI (AWEX)	Latest	% chg	Last Pricing	
	AUD/kg	11.92	0.0%	24/11/11
AU Cattle (EYCI)	Latest	% chg	Last Pricing	
	AUD/kg	4.01	0.4%	28/11/11
Crude Oil (WTI)		Latest	% chg	Last Pricing
	USD/bl	97.78	1.0%	28/11/11
	AUD/bl **	98.81	-0.9%	28/11/11
Commodity Indices	Latest	% chg	Last Pricing	
S&P Agri & L'stock (USD)	1141	0.0%	25/11/11	
S&P Agri & L'stock (AUD)	1176	0.0%	25/11/11	
S&P All Commodities (USD)	4824	0.0%	25/11/11	
S&P All Commodities (AUD)	4972	0.0%	25/11/11	
Currencies	Latest	pts chg	% chg	
AUD/USD	0.9896	0.0194	2.0%	
AUD/CAD	1.0242	0.0058	0.6%	
AUD/JPY	77.17	1.78	2.4%	
USD Index	79.3	-0.4	-0.5%	
Equity Markets	Latest	pts chg	% chg	
ASX S&P200	4058	74	1.9%	
US DJI	11480	248	2.2%	
UK FTSE	5313	148	2.9%	

* Prices are the closing exchange traded futures prices.

Changes are daily. Last pricing date is 28/11/11, previous pricing date is 25/11/11

Sources: Bloomberg and CBA

** AUD Equivalent Price



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

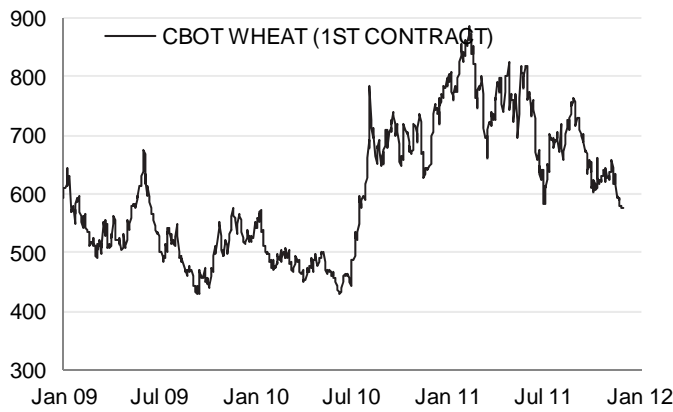


Figure 2: ASX NSW Wheat (Jan 12 Contract, A\$/t)

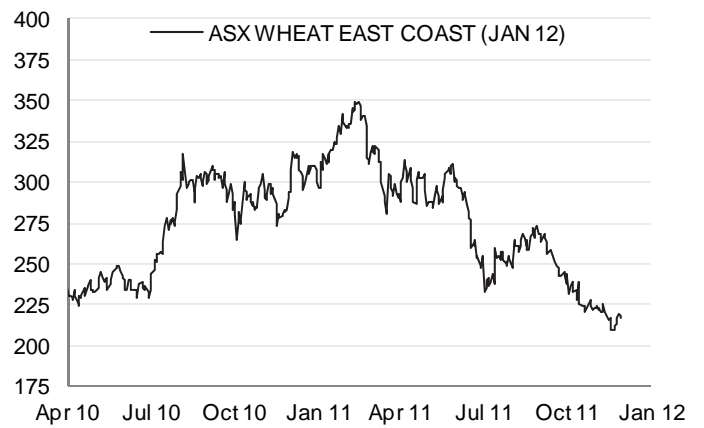


Figure 3: CBOT Corn (1st Contract, US\$/bu)

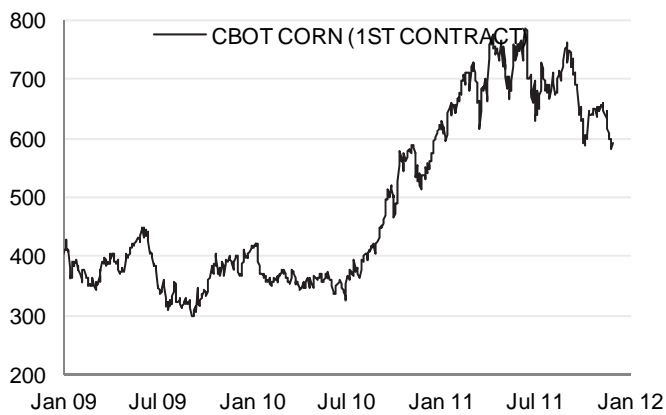


Figure 4: ASX Feed Barley (Jan 12 Contract, A\$/t)

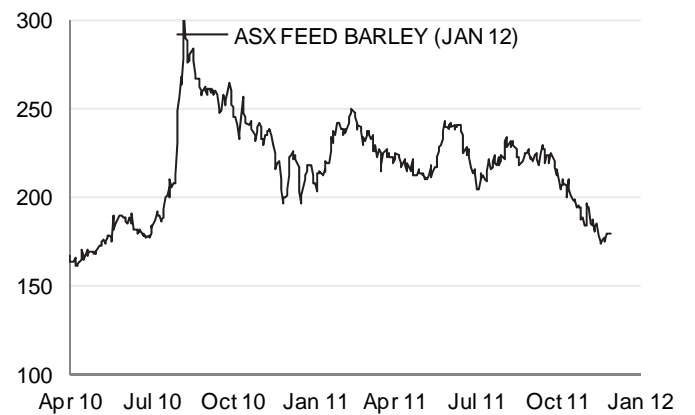


Figure 5: CBOT Soybeans (1st Contract, US\$/bu)



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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