



Grain prices move higher...

Markets: US consumer spending rose by 0.4pct in July - marking the strongest reading in four months. US personal income rose by 0.2 pct in July after edging up 0.1pct in June. Wages and salaries rose at a \$22 billion annual rate, supporting the rise in incomes. The savings rate slipped from 6.2pct to 5.9pct. US shares fell on Monday in light trade. The Dow Jones fell by 1.4pct.

Currencies: The AUD dipped 0.2pct lower overnight to USD0.8946 (London close) and the USD index rose 0.3pct to 83.2pts.

Weather: A broad high is keeping the country's interior and east dry, whilst directing warm northerlies into the south. Moist southeasterly winds are sending a few showers into eastern QLD, heaviest in the northeast. A trough is generating widespread showers in western and southern WA.

(www.weatherzone.com.au)

Grains: Chicago wheat futures extended the winning streak to 3 consecutive sessions overnight, however prices finished off their highs. The nearby Sep 10 contract ended 1.3pct (8¼¢) higher at US\$671.25/bu after earlier rallying up to US\$695/bu and the Dec 10 contract finished 9½¢ to US\$704.5/bu after earlier climbing to near US\$730/bu. Renewed crop woes in many regions (including WA, Argentina, Canada and Europe), plus improving demand for US wheat supported prices. US wheat export inspection for the week ended 26th Aug rose 3.6pct for the week to a marketing year high of 25½million bu. Reports that Pakistan has deferred plans to export up to 2mt of wheat also helped lift prices.

CBOT corn (Sep10) rose 1.1pct (4½¢) to a fresh 8 month high of US\$425.5/bu overnight. On a rolling 1st contract basis, CBOT corn prices have now rallied above the Dec 2009 highs and are now looking toward the June 09 peaks around US\$450/bu. US corn export inspections easily exceeded expectations at 45.3mbu (up 3.4pct w-o-w), and early US corn harvest results have that yields slightly below expectations. Yet it is too early to draw any meaningful conclusions. After the close the USDA revealed US corn crop conditions were virtually unchanged over the week.

ASX wheat values firmed again overnight with the Jan 11 NSW contract trading up to \$288/t (officially quoted at \$292.5) and the WA contract traded at \$307.5/t (quoted \$312.80). ASX feed barley (Jan 11) also firmed yesterday, trading a few dollars higher at \$256/t and ending quoted higher still at nearly \$260/t.

Oilseeds: CBOT soybeans (Sep 10) handed back early gains to finish the session 4¢ lower at US\$1018/bu. US soybean export inspection the latest week came in below expectations at 7.2mbu, down from nearly 12mbu the week prior. After the close the USDA indicated that US soybean crop conditions were unchanged over the week, despite expectations for deteriorating crop ratings. Canadian canola (ICE Nov 10) chopped both sides of unchanged but finished mostly unchanged at C\$462.7/t

Cotton: ICE cotton (Dec 10) rose 0.4pct (34pts) to US\$86.43/lb however volumes traded were the lightest since mid May. After the close the USDA revealed that US cotton crop conditions have slipped by 2pts in the last week to 60pct good to excellent, with 29pct of cotton bolls now open.

Sugar: NY raw sugar finished with mixed results. The nearby Oct 10 contract fell 15pts to US\$19.81/lb, the Mar 11 contract was unchanged at US\$19.37/lb while the May 11 contract rose 5pts to 18.34/lb. News was relatively thin on the ground. Reuters reported that Bangladesh has issued a small tender for 25kt of sugar in a bid to cool down domestic prices. Bloomberg reported that China's raw sugar imports could rise to 1.5mt this season from 1.06mt in 2009, which would be the highest level since 2005. However it is anticipated that prices will need to fall sufficiently to entice China into the market.

Crude Oil: NYMEX WTI crude oil (Sep10) fell 1.4pct to USD74.13/bl.

Ag Commodity Markets: Daily Price Summary*

		Sep 10	Dec 10	Dec 11
US Wheat (CBOT)	USc/bu	671 +1.3%	705 +1.4%	724 +0.2%
	AUD/t	276 +1.6%	293 +1.6%	313 +0.4%
AU Wheat - East (ASX)	AUD/t	287 0.0%	293 +2.5%	306 +2.0%
AU Wheat - WA (ASX)	AUD/t	304 +2.2%	313 +3.1%	313 +3.0%
US Soybeans (CBOT)	USc/bu	1018 -0.4%	1023 -0.3%	1012 -0.2%
	AUD/t	419 -0.1%	423 -0.1%	434 0.0%
CA Canola (ICE)	CAD/t	463 +0.0%	467 +0.2%	429 -1.6%
	AUD/t	493 +0.4%	501 +0.5%	470 -1.4%
AU Canola (ASX)	AUD/t	452 0.0%	491 0.0%	495 0.0%
US Corn (CBOT)	USc/bu	426 +1.1%	442 +1.3%	447 +1.4%
	AUD/t	188 +1.3%	196 +1.5%	207 +1.6%
AU Barley (ASX)	AUD/t	253 +1.2%	260 +2.3%	263 +1.5%
AU Sorghum (ASX)	AUD/t	245 0.0%	239 0.0%	239 0.0%
US Raw Sugar (ICE)	USc/lb	19.81 -0.8%	19.37 0.0%	16.90 +0.7%
	AUD/t	490 -0.5%	488 +0.2%	435 +0.9%
US Cotton (ICE)	USc/lb	89.37 +0.4%	86.43 +0.4%	76.84 -0.1%
	AUD/bale	501 +0.6%	488 +0.7%	457 +0.2%
AU Wool EMI (AWEX)	AUD/kg	8.72	0.0%	26/8/10
AU Cattle (EYCI)	AUD/kg	3.648	-0.1%	30/8/10
Crude Oil (WTI)	USD/bl	74.13	-1.4%	30/8/10
	AUD/bl	82.86	-1.1%	30/8/10
Commodity Indices	S&P Agri & L'stock (USD)	1073	0.5%	30/8/10
	S&P Agri & L'stock (AUD)	1200	0.7%	30/8/10
	S&P All Commodities (USD)	4107	-0.1%	30/8/10
	S&P All Commodities (AUD)	4590	0.2%	30/8/10
Currencies	AUD/USD	0.8946	-0.0022	-0.2%
	AUD/CAD	0.9448	-0.0030	-0.3%
	AUD/JPY	75.80	-0.68	-0.9%
	USD Index	83.2	0.2	0.3%
Equity Markets	ASX S&P200	4453	83	1.9%
	US DJI	10010	-141	-1.4%
	UK FTSE	~	~	~

* Prices are the closing exchange traded futures prices.

Changes are daily. Last pricing date is 30/08/10, previous pricing date is 27/08/10

Sources: Bloomberg and CBA

** AUD Equivalent Price



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

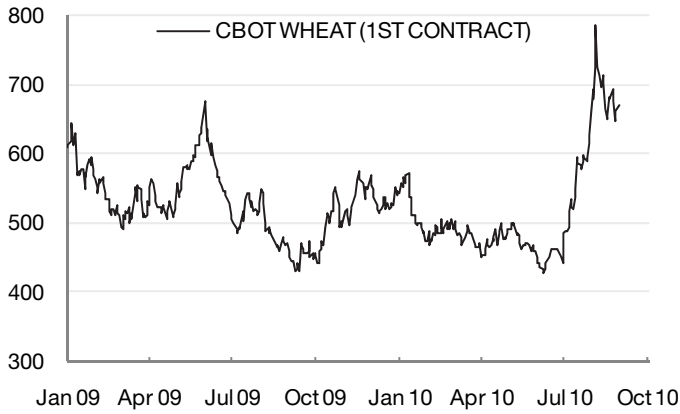


Figure 2: ASX NSW Wheat (Jan 11 Contract, A\$/t)

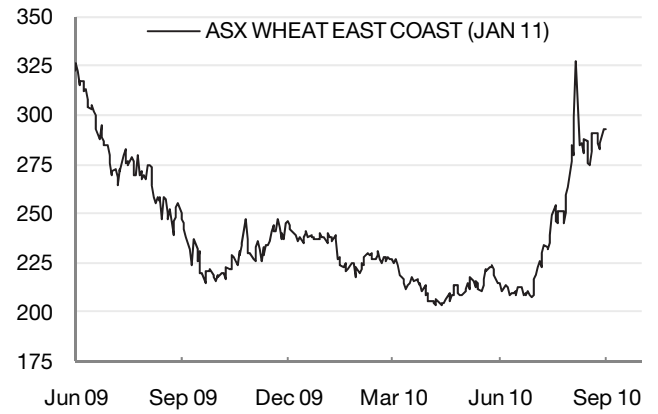


Figure 3: CBOT Corn (1st Contract, US\$/bu)

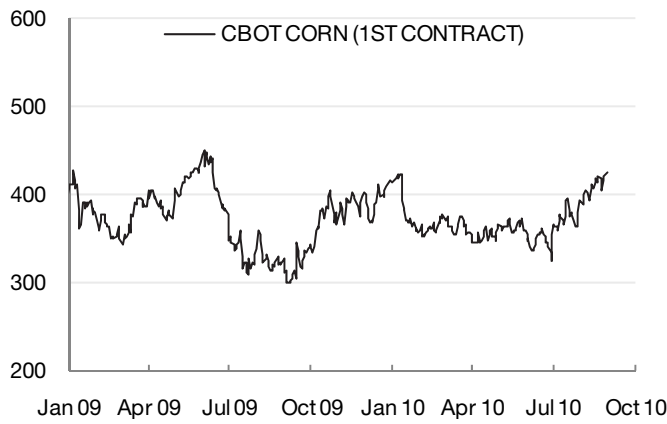


Figure 4: ASX Feed Barley (Jan 11 Contract, A\$/t)

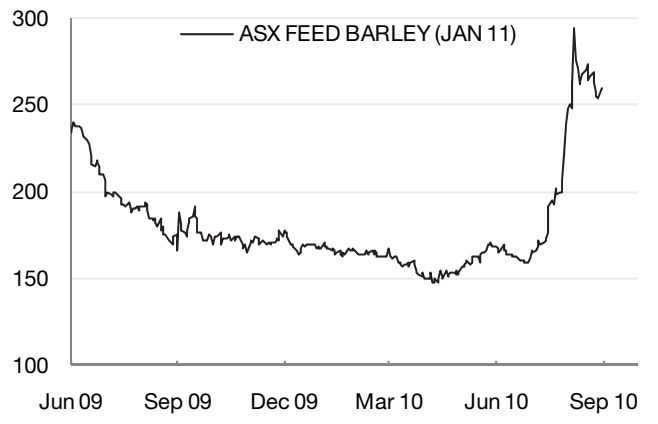


Figure 5: CBOT Soybeans (1st Contract, US\$/bu)

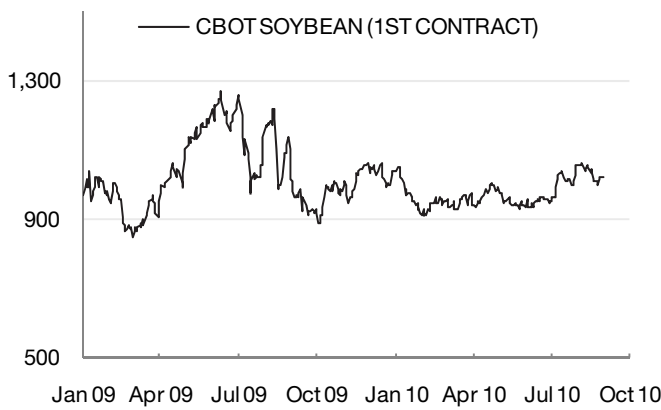


Figure 6: ICE Canola (1st Contract, C\$/t)

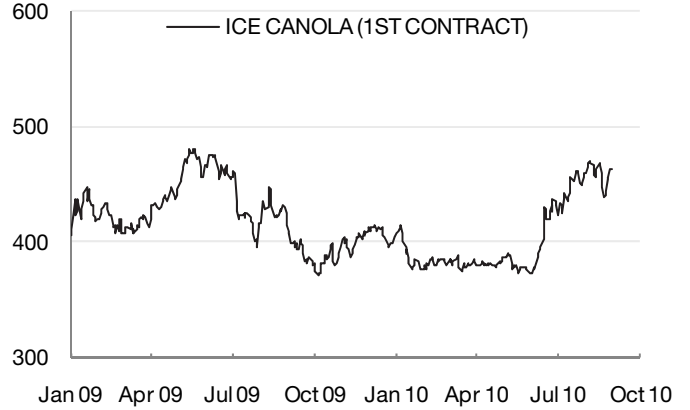


Figure 7: ICE Cotton (1st Contract, US\$/lb)



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





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