



Wheat price in the spot market boosted last week

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Current season's fast commercialization of wheat leaves stocks at a lower level when compared to last cycles' average. From a total supply of 19 million tons, on September 12 wheat buyers (exporters and industry) barely had 2.3 MT available. This volume is less than half the 3-cycle average available.

Wheat 2017/18: Export Highlights

Up to 09/12/2018	2017/18	5 Years Avg.	2016/17
Committed Sales (Reported DJVE*)	0,92	5,74	1,84
Exporters boughts of grain	12,31	6,78	6,71
<i>Ratio Purchases/DJVE</i>	<i>1337%</i>	<i>118%</i>	<i>365%</i>
Deferred pricing contracts	0,31	0,34	0,15
	3%	5%	2%
Priced contracts	12,00	6,43	6,56
	97%	95%	98%
(+) Exporters pending purchases /	-11,39	-1,04	-4,87
(-) Exporters stocks			

** (DJVE) Affidavits of committed sales to date*

Except for percentages, the figures are in millions of metric tons

Source: Rosario Board of Trade - @BCRmercados

As for exports, almost all exportable stocks are already committed as well as 40% of the new wheat crop, an unseen volume in the last cycles. As a result, milling is having difficulties to lay in quality wheat.



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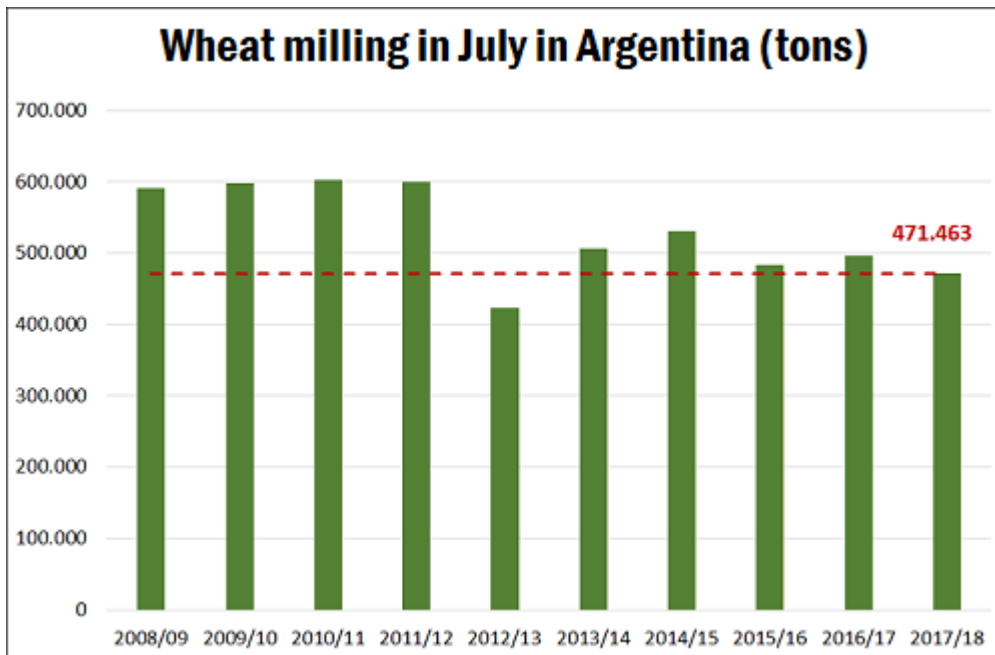
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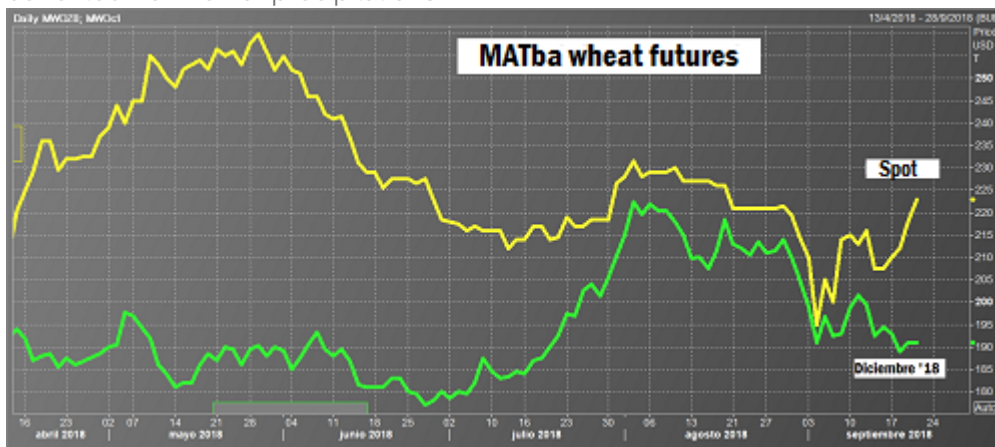
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Therefore, wheat price in the spot market rose during the past week, as next harvest contracts remained stable. Thus, on 9/20, MATba (Buenos Aires Futures Market) spot price was US\$ 223/t, 7% above previous week's value, as MATba December contact fell by 1%. Hence, the spread between the spot market price and December future doubled in a seven-day period, going from US\$ -15/t to US\$ -33/t. Regarding crop evolution in Argentina, spring brought warmer weather and some rainfalls, mainly in Buenos Aires province, after a dry winter. The provinces of Córdoba and Santa Fe, however, benefited from fewer precipitations.



The crop was able to keep good conditions during the dry winter, as soil moisture was optimum this cycle. Therefore, although 2018/19 yields won't reach last cycle's record volumes, they will still be above the historical average. The estimated yields, together with a greater cultivated area and the technology applied, still allows to projects a record crop.

