This week's return to full time working following the US Thanksgiving holiday was preceded by a sizeable selloff on Friday which saw some follow through selling as the week progressed. To put the move into perspective, we saw Jan '15 soybeans shed $0.68 in the Friday to Wednesday move (6.5%), which also marked a move of over $1.00 (9.4%) from the mid-November highs. Corn moved in a similar manner although with less vigour with the Dec '14 contract dropping 6.4% and 4.2% over the same respective periods.

In marked contrast wheat moved higher to close last week and followed through to the upside to start this week before slowing although it feels too early to definitively state that the move is over. The Dec '15 contract made a high price not seen since 27 June and the principal driver was cited as concern over Russian and Ukrainian crops, which have been suggested to be at risk from cold conditions with limited protective snow cover to provide insulation. Subsequent information has shown snow cover to be at least on a par with 2013 and our understanding is that it is far too early to raise concerns over significant damage at this time. Indeed, the Ukrainian weather forecaster stated that the wheat crop was "unaffected" by recent frosts with 72% of the sprouted crop in good to satisfactory condition. There are reported to be some developmental delays but expected warmer December weather will certainly not harm the crop.

One significant "trigger" to the soybean price move, and soybean meal for that matter, was the breaching of the neckline on the "head and shoulders" chart pattern on Tuesday. For those who follow chart technicals, this is a significant and bearish move, which is frequently proved to be correct. The potential move downwards in price is equal to the fall from the "head" of the pattern to the neckline, and in this case amounts to around $0.85 basis the Jan '15 contract. If fulfilled, we should see prices decline to around $9.25/bu purely on the back of this technical chart pattern. Interestingly, Thursday saw the chart pattern tested – but not invalidated, which is what we would expect, and we will be following the move closely in coming days.

The week long decline (almost) in soybean and corn prices was tested with the release of US weekly export data which showed stronger than expected sales in both products. Markets reversed their decline to the delight of the bulls who have been looking for straws to grab hold of, but the price uplift was limited in both extent and scope. We are fast approaching the time when China, in particular, switches sales to S America and as US exporters have already sold 85% of the USDA's annual soybean export figure (a record) the debate as to eventual total exports, and end stocks, remains robust.

StatsCan provided their latest update to Canadian output in 2014 with a set of figures that were more upbeat than trade estimates. All wheat production was increased by 1.8 million mt to 29.28 million mt, the trade only expected a 300,000 mt increase. Canola (rapeseed) output was also increased to the second best on record at 15.56 million mt, which was 1.46 million mt higher than the last estimate released in September. This latest data moves the perspective on Canada's crop balance sheets to a more constructive level than was anticipated earlier in the season.

Egypt's GASC once again tendered for wheat, this time for early Jan '15 shipment, and it was interesting to note only three French offers, suggested to be very fully priced in relation to replacement prices, which left them out in the cold in the success stakes. Romania secured 120,000 mt and Ukraine 55,000 mt with Russian offers missing out by around $4.00/mt.

EU wheat export pace ramped up this week with export certificates totaling 761,129 mt, which brings the season total to 13.52 million mt. This is 1.15 million mt (9.3%) ahead of last year's record export pace. In contrast, EU corn imports for the week jumped to 231,000 mt, which is a higher rate than previously seen. The season (October to September) total now stands at 882,000 mt. This is behind last year's pace of 2.262 million mt, but the volume spike this past week may suggest the possibility of higher priced wheat creating an opportunity for corn to regain its former place in EU feed rations. This will warrant close scrutiny, despite record wheat export pace any significant downturn in feed usage could leave an uncomfortable end stock position in what still feels like an increasingly competitive global feed grains marketplace.

Remaining with exports for a while, Black Sea wheat exports have proceeded at a faster pace than last year despite warnings over political tensions potentially disrupting movements. Cumulative July to November wheat exports for Russia, Ukraine and Kazakhstan have reached 23 million mt, an increase of 4 million mt over last year. Russian exports in December are forecast to be above last year and suggestions that export controls may come into force early in 2015 are likely to ensure export pace remains brisk until that time. However, normal seasonal export tonnage declines would make any restrictions much less of an issue that may have been previously thought.

The "real" issue with Russian wheat is driven by the collapse in the Rouble, which has led to exporters seeing best value and domestic markets have, as a consequence, been unable to compete for tonnage. Russian President Putin urged the country's central bank to invoke "strict measures" to stop speculators influencing the value of the currency. Our view is that the fall in global oil prices, which Russia relies upon heavily, has been more of an influence than speculators – but what do we know?

In other news it was reported earlier in the week that Brevan Howard, one of the world's largest hedge fund managers, is to close its $610 million commodities fund. The "rout" in commodities this year was reportedly directly responsible for the 4.25% losses in the year to October, and highlights the state of play that fund managers have to contend with at present.

To conclude, post-Thanksgiving, it still feels as if “tops” have been made in soybean and meal markets, potentially also in corn and wheat has yet to decide if it wishes to be competitive and not lose all competiveness before it is too late.