As we end June and move into the second half of 2019, it seems that the news, in the UK at least, is now being dominated by political issues once again. The race for the leadership of the Conservative Party, and the role of Prime Minister is well under way and taking up most of the headlines. The two contenders, Boris Johnson and Jeremy Hunt are the last two standing and we have to wait until 23 July for the result when party members have cast their votes and the numbers are tallied. Johnson started as race leader although latest news suggests that may not continue into July and the final outcome is not going to be easy to predict.

The impact upon the UK is not insignificant; Brexit negotiations will take on a different tack from those under Prime Minister May's leadership. Boris Johnson's stance is that we WILL leave the EU on 31 October, "deal or no deal", whilst Jeremy Hunt has suggested he is able to negotiate a fresh deal with the EU with changes to the Irish "backstop" agreement. Either way, we have this week seen industry (specifically Vauxhall cars) stating that their continued investment in car making within the UK could be under threat in the event of a "no deal" Brexit. They are not alone in this stance, and this highlights the underlying dangers to the UK economy of the move to withdraw from the EU. Economic growth, investment and long-term development all have big question marks going forward and the prospect of the once "Great" Britain drifting away from that position towards economic instability and third world status is certainly not mouth-watering. Maybe we overstate the picture a touch but our future in the UK at present is far from certain.

Markets in Chicago have traded less harmoniously this week so far with soybeans lower, corn sideways to lower and wheat making gains as the week has progressed. New crop wheat in Europe has seen the Paris contract making some further gains whilst London's feed contract has trended in a more sideways pattern. Paris gains could be put down to the advent of record high temperatures across much of Europe this week, although the general consensus is that the crop is sufficiently advanced to reflect much, if any, stress and loss of output as a consequence. If anything, the additional heat is likely to see harvest dates advance a touch. London wheat is likely reflecting the longer-term trend of the weakening £STG vs. €uro, which has been a feature since the March-May lows earlier in the year amid the previously mentioned political and economic uncertainty facing the country.

Chicago markets have reflected some weather improvements and more normalised fund positioning. Also, the upcoming June 1 Grain Stocks and Acreage reports, scheduled for release at 5pm (UK time) today, are anticipated in the aftermath of the June WASDE shocks. Demand ahead of the release has, understandably, been tempered somewhat and traders are side-lining to some extent awaiting fresh news input.

Soybeans (Nov '19 futures) fell below the 100-day moving average with traders eyeing up their next target, which is the 50-day average around $8.90/bu and an open chart gap below that at $8.58/bu. Whilst these levels appear some way off right now, the stock levels in the US and S America together with potential in upcoming crops make them seem achievable in time.

Corn was impacted by the improved weather and fund profit taking ahead of today's data release, which is expected to see growth in old crop stocks but a further decline in planted area. Reaction will be a function of just how big these changes, if made, will be. It has been suggested that a drop of over 3 million acres will be required to see a significant further move higher, and right now we would not bet either side of this number.

Wheat markets around the world are facing ample stock levels, some say potentially burdensome levels, and a N Hemisphere harvest that is under way in places and ramping up with some excellent early yield figures. More important perhaps is that threat levels to as yet unharvested acres remain low leaving output prospects better than good. Doubtless we will see Russia and Black Sea leading global prices, as is so often the case, and history shows that seasonal price trends there have seen the lows as the new crop season unfolds.

In summary, we fail to kindle any bullishness in soybeans and wheat whilst awaiting evidence and data to support our desire to follow a bullish corn trend.