Today’s update will be brief, coronavirus continues to dominate the majority of headlines and the information is well documented. The impact upon global markets and trade has been severe, but the glimmers of hope arising from a number of countries, including China, seemingly coming out the other side have seen some stock market recovery. £Stg’s slide vs. both US$ and €uro appears to have paused, for now.

Chicago soybeans, corn and wheat have had a relatively good week with wheat in particular making positive strides higher although some of the ground was lost Thursday. China’s return to the US for wheat, corn, soybeans, sorghum, cotton and meat was widely seen as positive, and potentially heralding a new era of purchasing and adherence to their Phase One agreement. US ag trade, and that in the rest of the world, has taken a battering from coronavirus, and there is hope that Chinese demand continues and provides a much-needed demand stimulus.

Offsetting the China news to some degree is the downturn in gasoline demand in the US is impacting ethanol for blending, which is in turn reducing the draw on corn. The potential impact of this could be a switch by the US farmer away from planting corn and adding soybean acres and this is a decision that will have to be made soon as the planting season approaches. Although there appears to be an improvement in US corn export volumes this is not offsetting ethanol demand, and a potential build in US corn end stocks appears likely. The net effect would appear to be a cap on corn’s price upside. Tuesday sees the USDA will publish their annual Prospective Plantings Report alongside March 1 Grain Stocks. The first could help the market focus on new crop supplies while the latter may help to give some insight into early effects of the pandemic on feed usage.

Wheat markets in Europe have maintained recent highs and we are awaiting the start of the Northern Hemisphere growing season but early signs are that US and Black Sea potential is pretty good. Ongoing news from Russia concerning export restrictions for old crop may continue to help buoy the market.

Our view remains very similar to that of recent weeks; to reiterate, we see limited upside for now until or unless we see supply dislocation or spring planting disruptions.