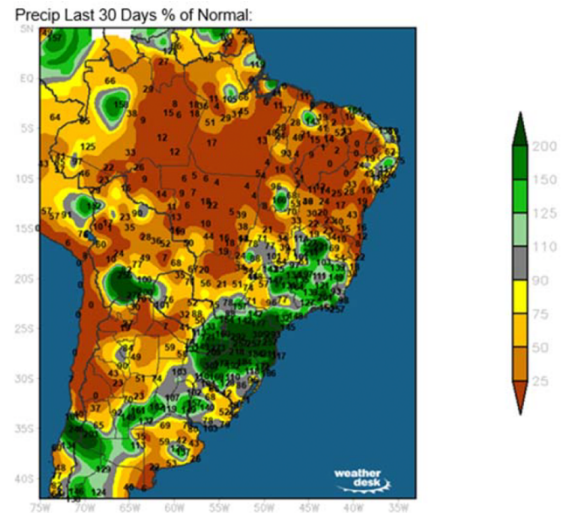


Chicago corn has drifted downwards this week, largely on a lack of fresh news and possibly as the market awaits signs of better-than-expected US yield. Wheat has reversed early week declines as adverse weather in France slows planting progress with wet soils preventing machinery working in fields. Soybeans have found some support from ongoing weather problems in S America.

S American weather remains the key watchpoint and major forecasters seem to be in agreement that Argentinian weather will return to more normal rain patterns for the next couple of weeks. Late October rains have at least provided some stabilisation of soil moisture levels although it is anticipated that harvest time will be later than average as has been the case this season. The country needs continued regular rainfall to replenish the much-depleted subsoils. However, there is also the prospect of heat and dryness returning to central and northern Brazil in the same timeframe. Heavy rains are also forecast Rio Grande do Sul and Parana in Parana in the south. Clearly weather conditions remain challenging, and any prolonged continuation of these patterns will result in crop stresses and potential yield and output losses.



Whilst weather will be an ongoing issue in S America, we should note that it is still early days. This is primarily a soybean issue today but with net drying expected for the month of November, we could be looking at going into the more critical December/January period with no moisture reserves. This should limit downside potential to the soybean complex for now.

Financial markets took heart from a round of unchanged central bank interest rates with many hoping that they have now reached peak levels and hoping for reductions in coming months. Stock markets across the world have reacted with positive gains in late week trading.

It has been reported that China is expected to import record large tonnages of corn and soybeans in Q4 2023 based largely upon Brazilian loadings and ship line-ups. 2023 soybean total volumes are estimated at 105 million mt with close to 12 million mt of corn in the final quarter of this year.

We remain friendly to markets amid the concerning S American weather and ongoing geopolitical tensions. We would not recommend short positions at this time and encourage top up cover when opportunities are presented.