We open this week's update with our best wishes to all those caught up in Milton, the massive storm system that has caused havoc in a large part of Florida. Here in the UK, it is hard, if not impossible, to imagine the actual horror that such a storm can wreak. Hopefully some normality will resume quickly, and recovery begin soon.

Markets have been somewhat active and mixed this week with Chicago corn lower, soybeans sideways and wheat making some further gains. Corn has been removing premiums ahead of this week's USDA release in a somewhat subdued market. The US harvest, when more yield data is available, will become an important directional indicator. S American weather is similarly an important factor, current forecasts show an improving pattern, but it is tough to be overly bearish given what looks like an improving picture for US exporters. Cash prices in both Ukraine and Argentina remain on an upward trajectory leaving the US as the most competitively priced origin for importers.

Wheat has remained the most bullish picture with world cash markets trending firm. The end of Russian FOB prices stuck at $216-218/mt for what seemed an eternity has encouraged buyers. However, the $7-10/mt uplift in Russian prices still leaves then as very competitive and they face little in the way of serious competition for export orders. News that Russian exporters are to meet with the Government (today) has many wondering if there is to be a material change to export taxes or possible caps on export volumes going forward. Currently this is merely a matter for speculation, but it has captured the market's attention for now and news of the meeting and possible outcomes are awaited. Last week we noted that Turkey was to allow wheat imports but there was to be a limit of 15% inclusion in flour grist. This week the talk is of allowing up to 30% imported wheat inclusion, a potentially significant change if permitted. Wheat weather in the previously dry eastern Ukraine and southern Russian growing regions is forecast wetter and a more lasting pattern of normal rains is anticipated. Drought in the US Plains remains a concern. Argentina's Rosario Grain Exchange has lowered its 2025 wheat output estimate by 5% to 19.5 million mt, a one million mt reduction as dry conditions spread, the reduction was widely anticipated.

Soybean markets appear to be defensive ahead of the USDA data release with trade reported as "quiet". The US harvest is progressing with 47% cut as of last week and good gains expected this week. For what it is worth, we have heard of storage tightness although we would doubt this is of any real significance. The market is still anticipating a record harvest volume, and this is weighing heavily on prices with rallies limited.

We remain broadly friendly to wheat prices with corn still to decide if it is to follow wheat or soybeans, soybeans remain our bearish bet for now.