Markets have, generally speaking, had a positive week across the board despite some bearish headwinds that we described last week. The most positive inputs came from buoyant US export sales with soybeans and soybean oil at six-week highs; corn sales were large at 141 million bu. The corn figure came as something of a surprise given the expectation of more aggressive S American pricing in the face of their anticipated bumper harvest.

Despite the recently announced Russian wheat “floor price” of $250/mt, it has been noted that offers sub $140/mt are being made for nearby shipments. This will continue to see Russian wheat as the most competitive source and likely dominate trade as has been the case for so long. With weather dry and warm in Australia the harvest there will progress, and export offers will further cap price rallies.

Geo-political risk remains high with the middle east conflict poised to go either way; diplomatic endeavours continue but there is no evidence (yet) of an end to tensions. The Russia/Ukraine war seems to have the potential to draw in others, media reports suggesting N Korean support for Russia is drawing S Korea into supporting Ukraine. Will the issue expand its current geographic boundaries? We sincerely hope not, but stranger things have happened.

With less than two weeks to go it seems the outcome of the US Presidential election remains on a knife edge. At the moment, the polling averages in the seven swing states suggest the race will go down to the wire. There is currently less than one percentage point separating the candidates in Michigan, Nevada, North Carolina, Pennsylvania and Wisconsin. Trump is ahead by two points in Arizona and Georgia. The final outcome has the potential to impact ag markets with China concerned over trade wars should there be a Trump victory. There appears to be a degree of “risk off” in markets as the final result is awaited.

There is little fresh market influencing news at this time. Russian wheat cash markets lead the way and Russia will dominate global trade into year end, and likely early 2025. We have a neutral stance at this time, although we are see soybean prices vulnerable, corn potentially vulnerable but influenced more by wheat which will be determined by Russia as noted above.