

EU Malting Barley – ... and the rally continues! After a small break last week market prices increased again quite significantly and marked new highs for spring malting barley crop 2018. Main drivers are still Scandinavia and UK due to big worries about the spring crops, but also pushed up the whole grain complex. In France the fob mosel market went up strongly as well. The fob Creil – “inland market” - is lacking a bit behind because of two main reasons: 1. Lots of farmer selling lately as quality and yields are correct over there and 2. Logistics are still challenging in terms of availability of inland barges, trains and high transport costs compared to former years. However French origin is competitive – and at least you know what you get: good quality! It is likely that there will be more demand for French origin if the feared damages of the Scandinavian and English crop come true. Will the market even pay a premium for it?

Grains – crops are getting smaller everywhere. After Strategie Grain “shocked” the market with their low French wheat production estimate some time ago, Agritel today joins the club with an estimate of only 34 mln mt (last year 36,5 mln mt). It’s not as low as Strategie Grain but it goes into the same direction. In this context Euronext wheat finally broke the 190,- eur/mt resistance level today and was already up + 3,50 eur/mt at 192,75 eur/mt. If this move is confirmed by the close of today there is more upside potential. The December 18 contract high at 194,0 eur/mt is now very close ... and new highs normally are followed by further new highs. If we see that ... fasten seatbelts!

Euronext wheat Dec. 18: what’s next?



Have a good weekend !