

Grains – the grain complex has been very firm this week with wheat and barley prices strongly up. Barley in France and Germany was priced around even levels or even with a positive premium above Euronext wheat. Egypt's GASC bought 420.000 mt of wheat for September shipment and paid around 15,00 usd/mt more than in their previous tender on 10th of July 2018. Strong feed barley prices pushed up French winter malting barley prices as well.

Malting barley – French winter malting barley made a significant rally this week and prices increased by around 20,- eur/mt compared to last week. As mentioned, the main driver was rather the strong feed barley market than malting demand. It's true that there was some more demand for winter malting barley as well, but it is also true that the malting premium above feed even decreased. French spring barley prices caught up this week as they were lacking a bit behind UK and Scandinavian values (due to lots of farmer selling). There will probably be a higher focus on France from the demand side (for quality reasons) in the future, which would not allow any discounts compared to other origins. The firm grain complex rallied much more this week than malting barley did and consequently malting barley premiums decreased. In this context malting barley became "cheap". With regards to the low crop expectations in Scandinavia, England, Scandinavia, Baltics, Poland, Germany, Czech Republic, Slovakia, Austria etc. - does this make sense? Time will tell...

Euronext wheat Dec. 18: A strong rally this week after the break of the former contract high (194,- eur/mt) due to the several crop worries around the globe. The market takes a little breather now as it was heavily overbought, but there is a high chance that the rally continues.



Have a good weekend !