



Ontario Grain Market Commentary for December 7, 2011  
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**Wednesday December 7, 2011**

Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	Mar	5.9275	↓	7.25	cents
Soybeans CBOT	Jan	11.3100	↓	9.00	cents
Wheat CBOT	Mar	6.0050	↓	24.25	cents
Wheat Minn.	Mar	8.2325	↓	17.75	cents
Wheat Kansas	Mar	6.6125	↓	19.25	cents
Canadian \$	Mar	0.9875	↑	60.00	points

Investors' punctured hopes of a euro-crisis solution continues, the euro slips and share prices turn negative while the crowd favoured safe-haven German bonds continue to soar. Canadian stocks fared better for the first time in three days, led by financial and energy companies, after Italy's cabinet approved a 30 billion euro package of austerity and growth measures. The measures came after Italian Prime Minister Mario Monti presented his plan to raise taxes and cut spending to Parliament earlier on Wednesday. According to a recent BMO report, Canada would see economic growth of 2.3% this year, and a slow down next year to 2%. The same report indicated Ontario will see a 1.9% growth next year, while western provinces will continue to fair better and will likely end 2011 on a high note of economic growth. The loonie is expected to soften against its US counterpart over the next months before recovering to current levels according to a recent poll by Reuters.

## **CORN**

Corn crept higher on Wednesday as buyers tentatively returned to the market amid cautious optimism for European leaders would agree on bold measures to resolve the region's debt crisis at a keenly awaited summit on Friday. Corn in Chicago rebounded from a year low to rise 0.21%, while March contract edged down in line with weakness by leading commodities such as crude oil. The latter's weakness continues to weigh on grains. The USDA report is expected to come on Friday, with anticipation of corn supplies remaining tight.



## **SOYBEANS**

Soybean futures for January delivery rose slightly in Chicago in response to austerity and growth measures in Europe. Drier weather in Argentina in the next 15 days will reduce soil moisture in about a third of the soybean growing areas according to the Commodity Weather Group LLC. Rains the following week in Brazil may begin to ease dryness that's affecting about 40% of the crops, according to industry speculation.

## **WHEAT**

March wheat shed early gains weighed down by increased wheat production in Canada, a record wheat crop in Australia and much needed moisture moving across the US winter wheat belt. Wheat being a price leader for global grains as it signals a floor price for corn, will ease in the next two months in Chicago before climbing on rising feed use and a slower pace of exports from the Black Sea region according to the president of Global Commodity Analytics & Consulting. Given the bearish nature of the current global markets and the relative strength of the US dollar, this may in turn be a positive outlook for the coming year for wheat.

Harvest contract prices for December 7, 2011 at market close, are as follows:

SWW at \$216.01 per tonne (\$5.88/bu.), SRW at \$225.31 per tonne (\$6.13/bu.),

HRW at \$247.63 per tonne (\$6.74 /bu.), and HRS at \$297.03 per tonne (\$8.08 /bu.).