



Ontario Grain Market Commentary for May 9, 2012
By Ahmed Chilmeran, Grain Farmers of Ontario

Wednesday May 9, 2012

Commodity	Period	Price	Weekly Movement		
			- Wednesday to Friday		
Corn CBOT	July	6.0725	↓	4.25	cents
Soybeans CBOT	July	14.3025	↓	55.75	cents
Wheat CBOT	July	6.0000	↓	14.50	cents
Wheat Minn.	July	7.3025	↓	20.75	cents
Wheat Kansas	July	6.1900	↓	11.50	cents
Canadian \$	June	0.9981	↓	146.00	points

The political landscape has seen some form of power change recently, with Putin's presidency being renewed for a third term and Sarkozy of France stepping down to president elects Francois Hollande. Markets on the other were primarily down on news from escalating doubts that Greece will meet the terms of its bailout deal amid political upheaval, and Spain's increased demand for its banks to raise 35 billion euros for construction needs added to concerns. CMHC issued its annual report recently dismissing fears of a housing bubble in the Canada. This came to light as the organization's purpose of existence came to question by Finance Minister, Jim Flaherty. CMHC's concluded in their report that no factual signs of a housing bubble exist and housing starts estimates are ahead of forecast.

CORN

Corn fell in Chicago as traders position themselves ahead of the coming USDA report. Tight old crop supplies and tighter farmer holding have pushed cash prices above the futures in several locations for nearby delivery. Elevators are shifting bids towards the July contract, as May contracts expire beginning of next week.

SOYBEANS

Soybean fell in Chicago ahead of the USDA report on Thursday. The report is anticipated to have inventories at mere 12% lower at the end of the crop's marketing year than it previously forecast, due to strong export demand according to the Dow Jones Newswires. Soybean futures prices have rallied since the beginning of 2012 on concerns about lower South American output and growing Chinese demand. Asian demand continues to increase and could cut into North



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American inventories. The USDA has marked the eighth consecutive export sale to China or to an unmarked destinations which typically traders assume means China as well.

WHEAT

Wheat fell in Chicago on EU woes, a stronger US dollar and cautious positioning ahead of USDA report Thursday. Rekindling of the Euro zone debt crisis amid political uncertainty in Greece and financial instability in Spain put downward pressure on the euro and various linked commodities. The oncoming USDA report is expected to have an increase in wheat supplies due to near-perfect growing conditions in key production areas of the US Plains.

Contract prices for May 9th, 2012 at close, are as follows:

SWW at \$213.52 per tonne (\$5.81/bu.), HRW at \$241.13 per tonne (\$6.56 /bu.),
HRS at \$254.10 per tonne (\$6.92 /bu.), and SRW at \$215.36 per tonne (\$5.86 /bu.).