



**Wednesday May 30, 2012**

| Commodity     | Period | Price   | Weekly Movement<br>-<br>Wednesday to Friday |       |        |
|---------------|--------|---------|---|-------|--------|
|               |        |         |   |       |        |
| Corn CBOT     | July   | 5.5950  | ↓   | 16.25 | cents  |
| Soybeans CBOT | July   | 13.7325 | ↓   | 3.75  | cents  |
| Wheat CBOT    | July   | 6.5100  | ↓   | 27.50 | cents  |
| Wheat Minn.   | July   | 7.6400  | ↓   | 21.25 | cents  |
| Wheat Kansas  | July   | 7.0325  | ↑   | 0.00  | cents  |
|               |        |         |   |       |        |
| Canadian \$   | June   | 0.9711  | ↑   | 8.00  | points |

The EU fiasco continues with Spain's borrowing costs soaring on Wednesday reaching a record high since joining the EU. The levels are comparable to other debt stricken countries such as Greece and Ireland who have turned and asked for international bailout. The interest rate on Spanish 10 year bonds, a key indicator of market confidence, shot up 25 basis points Wednesday matching the level it hit at the height of the euro zone crisis late last year. The TSX tumbled amid growing worries about Spain's banking sector and the future of tech giant Research in Motion Ltd. The euro slumped to a near two year low against the dollar with no signs of relief. Canada's dollar slipped to a four and a half month low against its US counterpart. Meanwhile, Canadian home prices rose in April for the second straight month, with prices up from March according to the Teranet-National Bank Composite House Price Index. The index measures price changes for repeat sales of single family homes; showed overall prices climbed 0.8% in April from a month earlier.

## **CORN**

Corn was firm in Chicago amid the ongoing economic turmoil in the EU with Spain and Italy's news of rising debt costs. Farmers held remaining supplies of old-crop off the market, in favour of future higher prices. Spot basis were mostly flat at processors and ethanol plants. The cash market was quiet for the most part as producers continue working on equipment and deliveries of previously contracted grain. Cooler weather and showers were expected at midweek in most of the Midwest which will help prospects. Corn crop was 92% emerged compared to the five-year average of 69% according to the USDA.



## **SOYBEANS**

Soybean fell in Chicago amid the ongoing economic turmoil in the EU with Spain and Italy's news of rising debt costs. Spot basis were mostly firm at elevators and processors in the US Midwest on Wednesday while farmers delay crop sales awaiting higher prices. Cooler weather and showers were expected at midweek in most of the Midwest which will help crop prospects.

## **WHEAT**

Wheat futures fell in Chicago for the second session on weak economic conditions in Europe and a stronger US dollar. Wheat prices came under pressure with European benchmark milling wheat futures falling on Wednesday following weaker US markets, and reports of rain in dry southern Russia and the US Midwest this week. The winter wheat crop rating is 54% good/excellent compared to last year's 33% and the five year average of 49%. Winter wheat harvesting advanced from 3% to 9% this week, well ahead of 2% last year and the 1% five year average. National spring wheat condition ratings, on the other hand, rose 5% as of Sunday night to 79% good/excellent.

Contract prices for May 30<sup>th</sup>, 2012 at close, are as follows:

SWW at \$238.76 per tonne (\$6.50/bu.), HRW at \$267.14 per tonne (\$7.27 /bu.),  
HRS at \$273.95 per tonne (\$7.46 /bu.), and SRW at \$240.65 per tonne (\$6.55 /bu.).