



Wednesday July 25, 2012

Commodity	Period	Price	Weekly Movement - Thursday to Friday		
Corn CBOT	Sep	7.9600	↓	11.25	cents
Soybeans CBOT	Aug	16.9250	↓	53.00	cents
Wheat CBOT	Sep	8.9950	↓	21.50	cents
Wheat Minn.	Sep	9.9275	↓	21.25	cents
Wheat Kansas	Sep	8.9550	↓	7.50	cents
Canadian \$	Sep	0.9836	↓	33.00	points

The loonie advanced against the greenback amid hopes that the Federal Reserve will lean towards providing an economic stimulus to keep the economy afloat. One of the options on the table is another round of 'economic-easing' – essentially a large scale purchase of government debt by the Federal Reserve, yielding similar effect as printing money without ever having to turn on the printing press. This quick fix approach aims at maintaining interest rate at bay in the long-run, thereby encouraging lending/borrowing and keeping the economic machine lubricated. However, pressure from slowing economies in Europe and Asia is making the scenario more and more likely. The TSX fell on Wednesday led by lower by financial and energy shares and weaker US and EU earning data. Flat economic data from Germany is supporting the view, that even the EU's powerhouse is showing signs of damage from the financial crisis.

### **CORN**

Corn rose in Chicago on speculation that rain will miss many of the growing areas in the US Midwest. The Corn Belt appears to be in dire need of some rain as concerns rise that supplies will be affected amid what appears to be the most-severe drought since the mid 1950's. The draught's economic impact will trickle into other commodities like milk, beef and pork among others, and will likely be felt next year.

### **SOYBEANS**

Soybeans rose in Chicago fueled by long-liquidation of inventories and a lower dollar. Prices also found support from concerns over the impact of the draught on this years' crop. Market fundamentals are strongly bullish and are underpinning market prices. Consumers may experience a 3% to 4% increase in food prices this time around next year, as the effects of the



country's worst drought since the 1950s work their way onto supermarket shelves, according to the USDA in a recent report.

## **WHEAT**

Wheat rose in Chicago over concerns about damage to the crop from the ongoing weather conditions. Markets have been bullish with tighter supplies and a falling US dollar. A cut to Russian wheat exports because of drought in the Black Sea region also lent support to prices. The USDA, thus far has designated 1,369 counties in 31 states including Wisconsin and Michigan to its list of natural-disaster areas, as the drought grips much of the country's crop land. This means that the designated areas are eligible to receive low-interest loans and other assistance from the federal government.

Contract prices for July 25<sup>th</sup> 2012 at 3pm, are as follows:

SWW at \$329.37 per tonne (\$8.96/bu.), HRW at \$340.55 per tonne (\$9.27 /bu.),  
HRS at \$346.51 per tonne (\$9.43/bu.), and SRW at \$314.46 per tonne (\$8.56/bu.).