



Ontario Grain Market Commentary for October 31, 2012  
By Ahmed Chilmeran, Grain Farmers of Ontario

**Wednesday October 31, 2012**

Commodity	Period	Price	Weekly Movement - Thursday to Friday		
Corn CBOT	Dec	7.5525	↑	12.85	cents
Soybeans CBOT	Nov	15.5100	↓	6.00	cents
Wheat CBOT	Dec	8.6550	↓	9.50	cents
Wheat Minn.	Dec	9.4250	↓	4.70	cents
Wheat Kansas	Dec	9.0225	↓	14.50	cents
Canadian \$	Dec	0.9988	↓	21.00	points

Merger and acquisition (M&A) news today came from Potash Corporation of Saskatchewan, which is in talks with the Israeli government about taking over Israel Chemicals Ltd (ICL), a metals and fertilizer multinational. The strategic acquisition is highly contentious given that ICL is part of the Ofer Group, a large umbrella corporation heavily involved in the shipping and oil refinery business. Other major M&A news came from the federal government extending its review of the \$15.1-billion bid by China's CNOOC Ltd. for oil producer Nexen Inc. beyond next week's deadline possibly for further investment analysis. The TSX opened higher on Wednesday finding support from energy and materials stocks. The NYSE had a mixed opening after a two day close due to hurricane Sandy. The loonie weakened versus the greenback, while bond prices rose after data showed the Canadian economy shrank by 0.1% in August. This news surfaced after Moody's credit rating agency indicated it's going to review major Canadian banks with likelihood for downgrade. This came amidst high unemployment statistics in the EU, indicating that unemployment is at a record high of 11.6% in September, according to Eurostat, the EU's statistics bureau.

### **Corn**

Corn futures are up in Chicago. Futures are finding support from investors repositioning on technical buying at the end of the month. The grain complex is also lending support for the market. The USDA's weekly crop progress report is scheduled to be released later on Wednesday with expectations that corn harvest will be at the mid 90% complete.

### **Soybeans**

Soybean is up in Chicago with November soybeans following investors technical buying at the end of the month for better positioning. Prices are also finding support from heavy rains in South America. The rains appear to be hindering the soybean planting process in various regions. The USDA is scheduled to release its crop progress report later today with expectation of soybean harvest completion of nearly 90%.



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## **WHEAT**

Wheat is up in Chicago on month end fund buying & technical buying. Bullish trend in the grain complex is also lending support to the market. Although, recent drought in Eastern Europe may cut into wheat harvests in Ukraine, Russia and Kazakhstan by as much as 37% according to the USDA this year sending global stocks to a four year low, Ukraine Government says it has no intention of limiting exports.

Contract prices for October 31<sup>st</sup> 2012 at 3pm, are as follows:

SWW at \$296.33 per tonne (\$8.06 /bu), HRW at \$303.68 per tonne (\$8.26/bu.),  
HRS at \$311.78 per tonne (\$8.49/bu.), and SRW at \$283.45 per tonne (\$7.71 /bu.).