



Ontario Grain Market Commentary for January 13, 2013
By Ahmed Chilmeran, Grain Farmers of Ontario

Thursday January 17, 2013

Commodity	Period	Price	Weekly Movement - Thursday to Friday		
Corn CBOT	Mar	7.2400	↑	11.00	cents
Soybeans CBOT	Mar	14.3025	↑	16.25	cents
Wheat CBOT	Mar	7.8125	↑	13.00	cents
Wheat Minn.	Mar	8.7000	↑	16.50	cents
Wheat Kansas	Mar	8.3375	↑	44.00	cents
Canadian \$	Dec	1.0137	↓	13.00	points

The latest investment data released by Statistics Canada shows an increased appetite for Canadian debt by foreign investors. Foreign investors acquired \$7.5 billion in Canadian securities last August, a 275% rise from July. Foreign acquisition of Canadian debt securities continued to strengthen reaching \$12.5 billion in October. Canadian stocks didn't share the same sentiment from foreign investors; a meager \$38million worth of Canadian equities were purchased. Canadian investors reduced their holdings of foreign securities by \$1.7 billion, following three straight months of acquisition. Unemployment aid fell in the US to a five-year low showing progress towards a return to normal levels of employment in the country. The US Commerce Department indicated that the housing market in the US is showing healthy signs as well, with builders adding houses and apartments to the sound of 954,000 seasonally adjusted homes last month, the equivalent of a 12% increase over November's annual rate and double the recession low in April of 2009. The US news trickled its way into Canada's financial markets, with the TSX rising earlier led by gains in energy and minerals. The loonie fell back against the greenback on higher energy and commodity prices.

Corn

Corn was lower in Chicago on profit taking. The recent price rally last week may have pushed money off the table. The International Grain Commission lowered its forecast for world stocks by 3 million tonnes to 113m tonnes, a nine-year low; however, this didn't prevent the market from dipping. Export data is positive but remains below trend. Weekly export sales were 393,300 tonnes, while total sales since January stand at 55% of the USDA forecast.

Soybeans

Soybean was up in Chicago following the USDA's latest Export Sales Report. The report indicated 1.28 million tonnes in export sales easily topped earlier trader predictions in the range of 700,000 to 900,000 tonnes. The next 10 days, however, will play an important role in



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setting the direction for prices with the South American soy crop entering the flowering stages. Weather factors will be closely monitored.

WHEAT

Wheat was mostly trading lower despite positive export demand data. Iraq bought nearly 300,000 tonnes of milling wheat from Australia and Canada; and Algeria bought close to 400,000 tonnes of soft wheat from France. The Canadian Wheat Board appeal forwarded by a group of board of directors against the federal government was rejected by the Canadian Supreme Court, sighting another win for the federal government.

Contract prices for January 17, 2013 3pm, are as follows:

SWW at \$261.44 per tonne (\$7.12/bu), HRW at \$265.06 per tonne (\$7.21/bu.),
HRS at \$280.92 per tonne (\$7.65/bu.), and SRW at \$256.00 per tonne (\$6.97/bu.).