



**Wednesday February 20, 2013**

Commodity	Period	Price	Weekly Movement - Wednesday to Friday		
Corn CBOT	Mar	7.0050	↑	3.75	cents
Soybeans CBOT	Mar	14.7900	↑	55.75	cents
Wheat CBOT	Mar	7.3850	↑	1.00	cents
Wheat Minn.	Mar	8.2075	↑	0.00	cents
Wheat Kansas	Mar	7.7725	↓	2.75	cents
Canadian \$	Dec	0.9816	↓	108.00	points

The TSX was lower ahead of the Federal Reserve's latest round of stimulus. Minutes of the recent policy meeting of the Federal Reserve indicate that the ongoing rounds of quantitative easing worth an estimated US \$85 billion a month in Treasury and mortgage bonds are garnering some worries of inflation and a chance at unsettling financial markets. This scenario would see the Federal Reserve undertake some sever losses once it begins liquidating its investment portfolio. This saw the loonie fall to a seven month low relative to the greenback.

CIBC's CEO, Gerry McCaughey in a statement called for Canadians to be allowed to make voluntary contributions to the Canada Pension Plan over and above what is already been deducted from salaries, citing a worrisome estimate by the bank's economist. The bank is forecasting that Canadians in their late twenties and early thirties on average will experience a decline of 30% in their standard of living by retirement.

### **Corn**

Corn futures were trading slightly higher at midday in Chicago. However, the modest rise is not enough to reverse the ongoing bearish trend which has seen Ontario producers generally reluctant to sell according to Kevin Hachler, of London Agricultural Commodities Inc. A new ethanol plant in Iowa will use fermented cobs, stems and husks of corn from over 123,000 acres of farmland, offering more in terms of energy and environmental security to the supply chain.

### **Soybeans**

Soybean futures are trading higher on the Chicago Board of Trade for a third consecutive day on rising demand from China, the world's largest buyer of the crop. Soybean price is also finding support from the ongoing dry weather conditions in Argentina. Oil World slashed its forecast



for the Argentine soybean harvest over the dry conditions by 2 million tonnes to 50.0 million tonnes, a significant drop from the initial estimates of 56.0 million tonnes.

## **WHEAT**

Wheat trade was mixed in Chicago and Kansas. The weather forecast continues to suggest areas of the wheat belt will experience heavy snowfall by the end of this week. China bought close to 350,000 tonnes of US wheat recently, 100,000 tonnes of Canadian wheat, and close to 400,000 tonnes of Australian wheat. Reports from Egypt, the world's largest wheat importer, indicate that the country is left with 3.11 million tonnes of stocks, enough to meet consumption for next 126 days. The country has been struggling with a currency crisis with the Egyptian pound falling significantly against the US dollar.

Contract prices for February 20 2013 at 3:30pm, are as follows:

SWW at \$255.18 per tonne (\$6.95 /bu), HRW at \$262.67 per tonne (\$7.15/bu.),  
HRS at \$272.78 per tonne (\$7.42/bu), and SRW at \$249.57 per tonne (\$6.79/bu.).