



GLOBAL MARKET UPDATE

Dr. Rory Deverell

INTL FCStone Europe

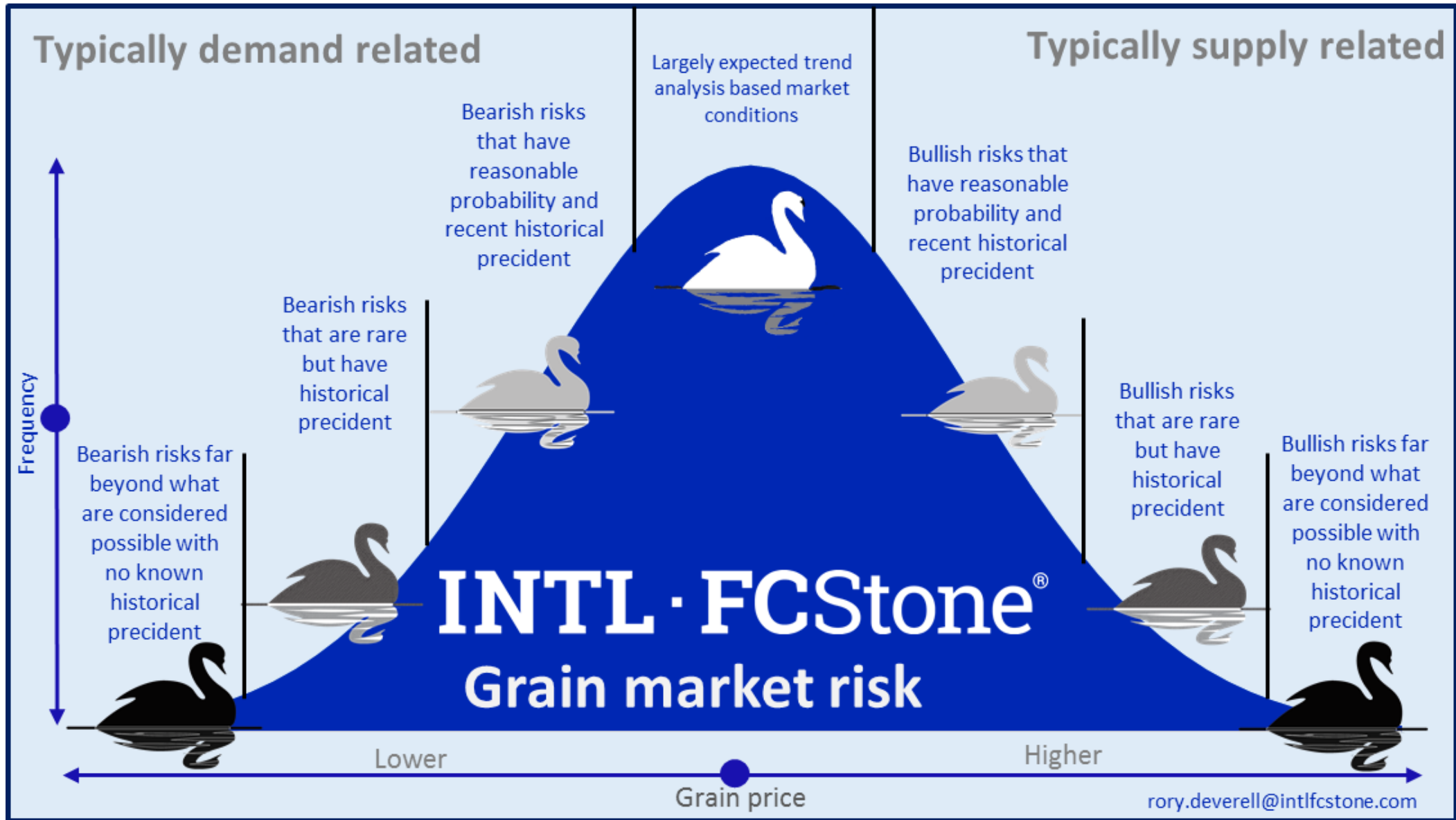
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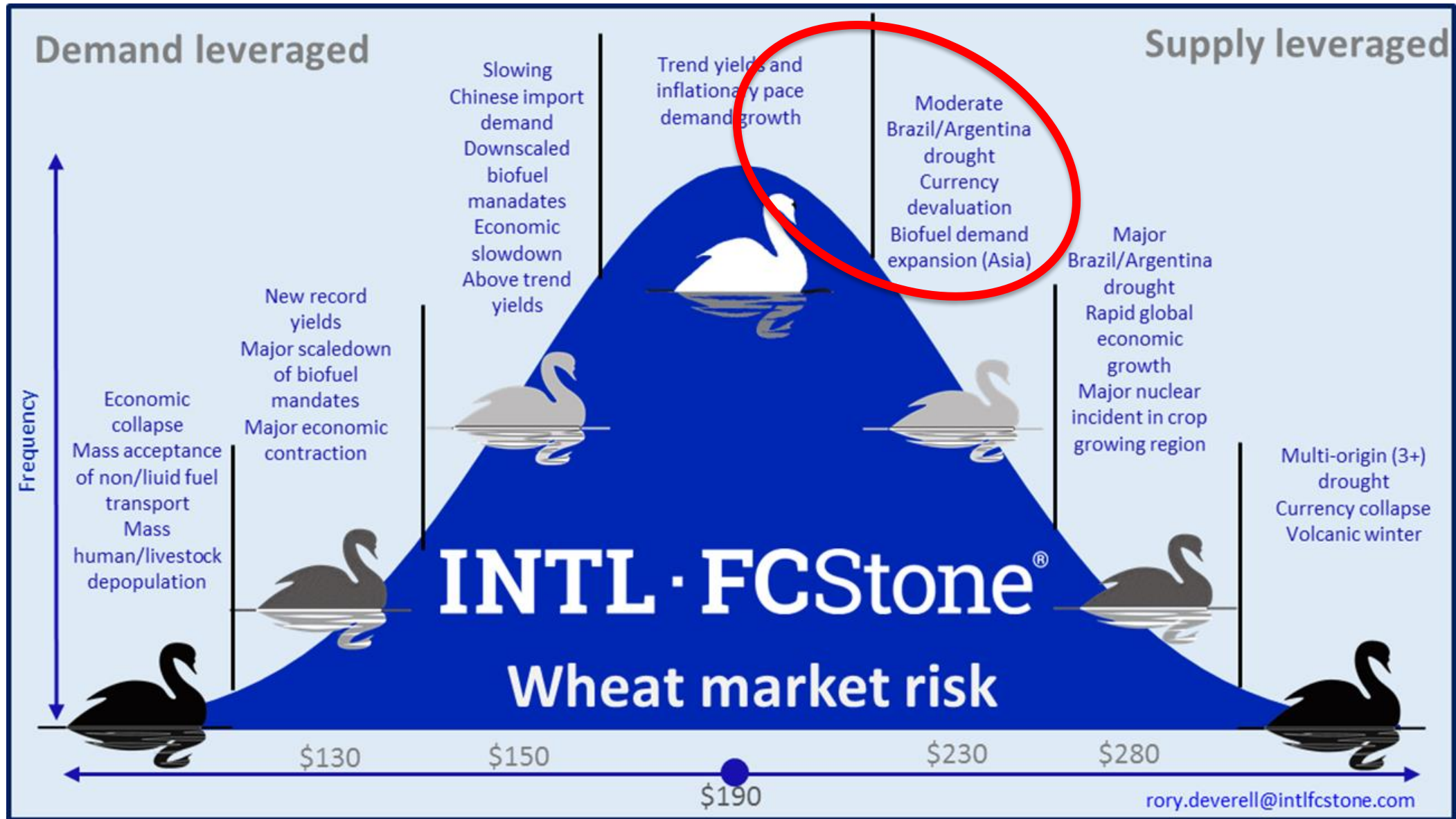
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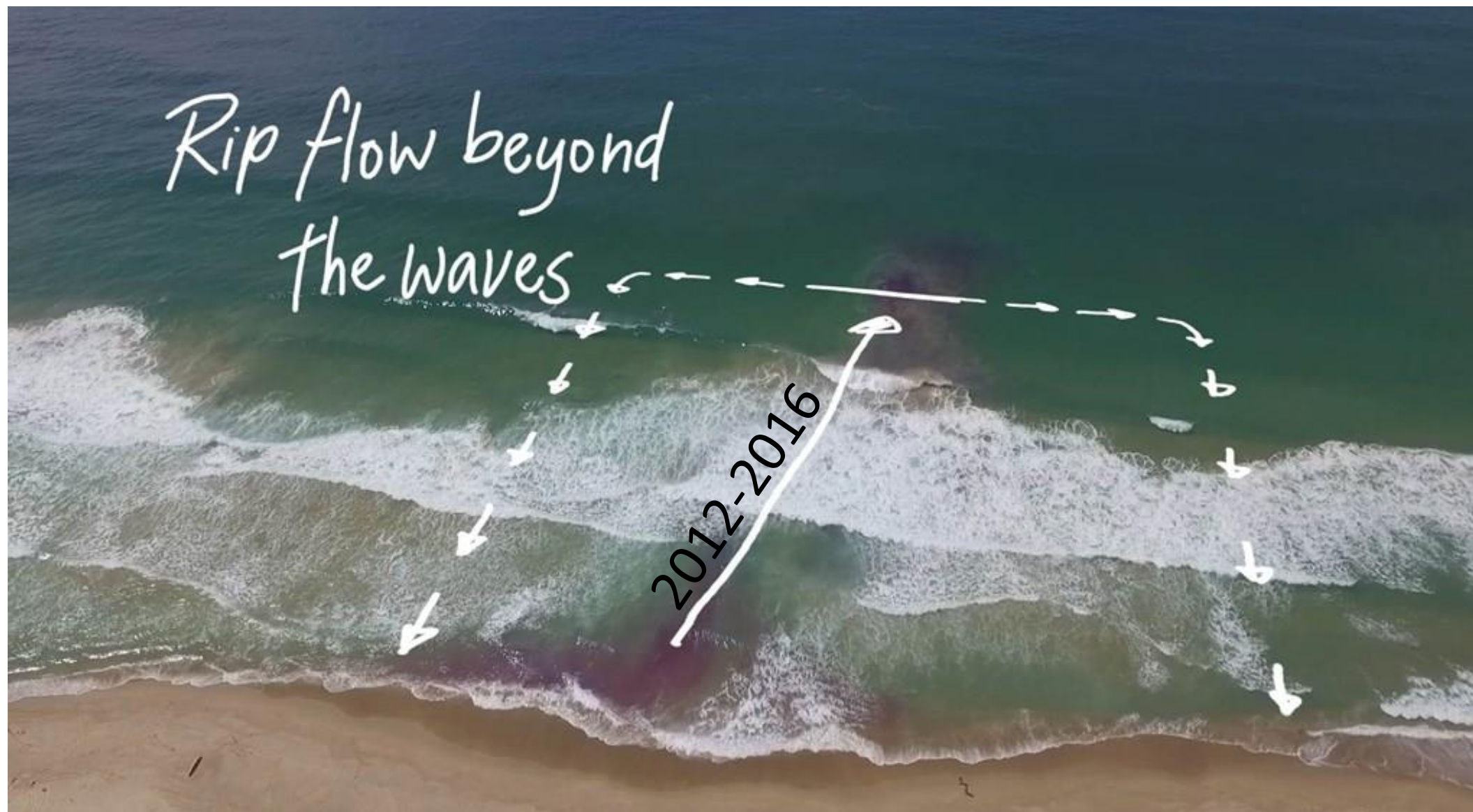
Video

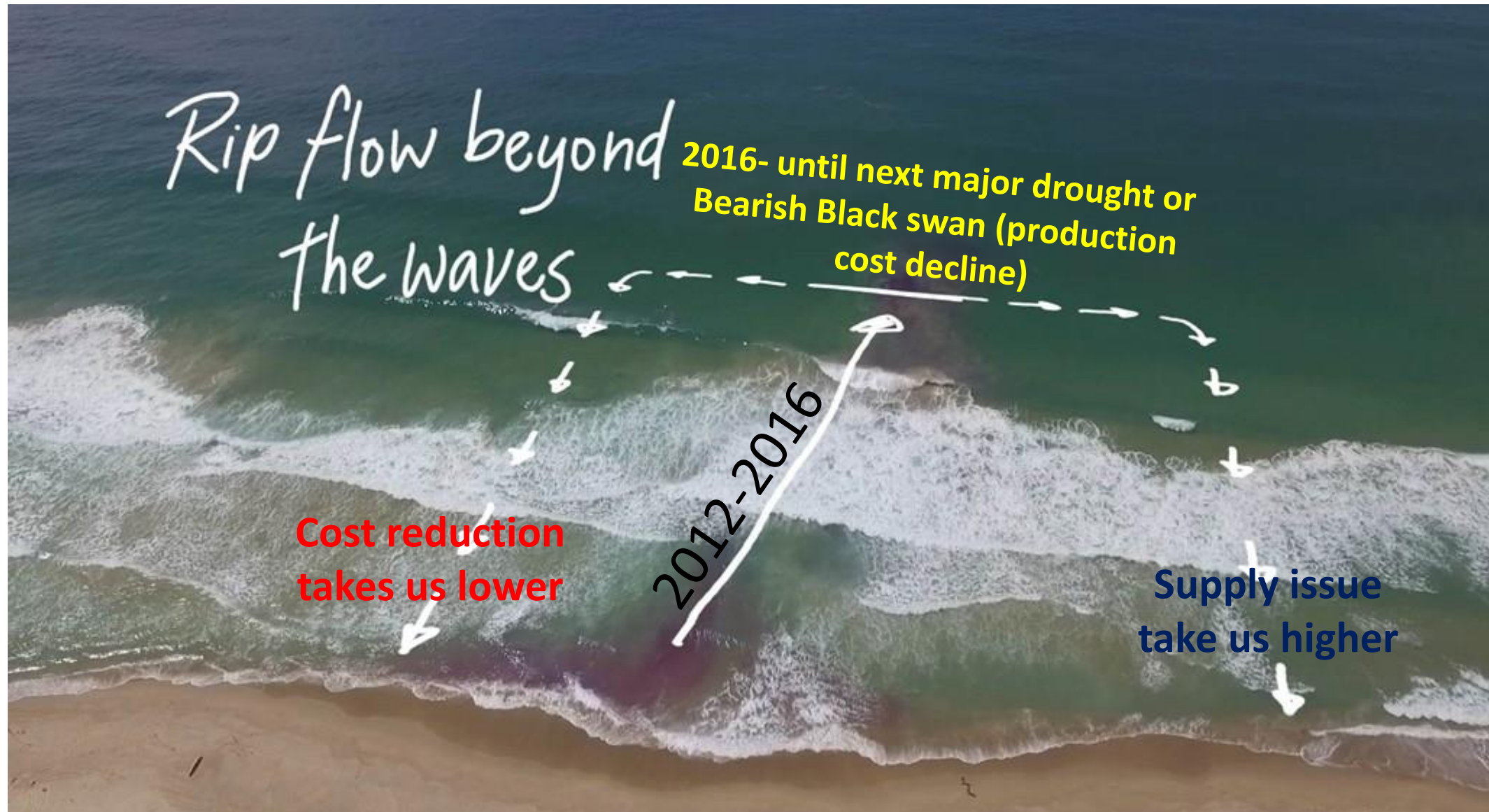




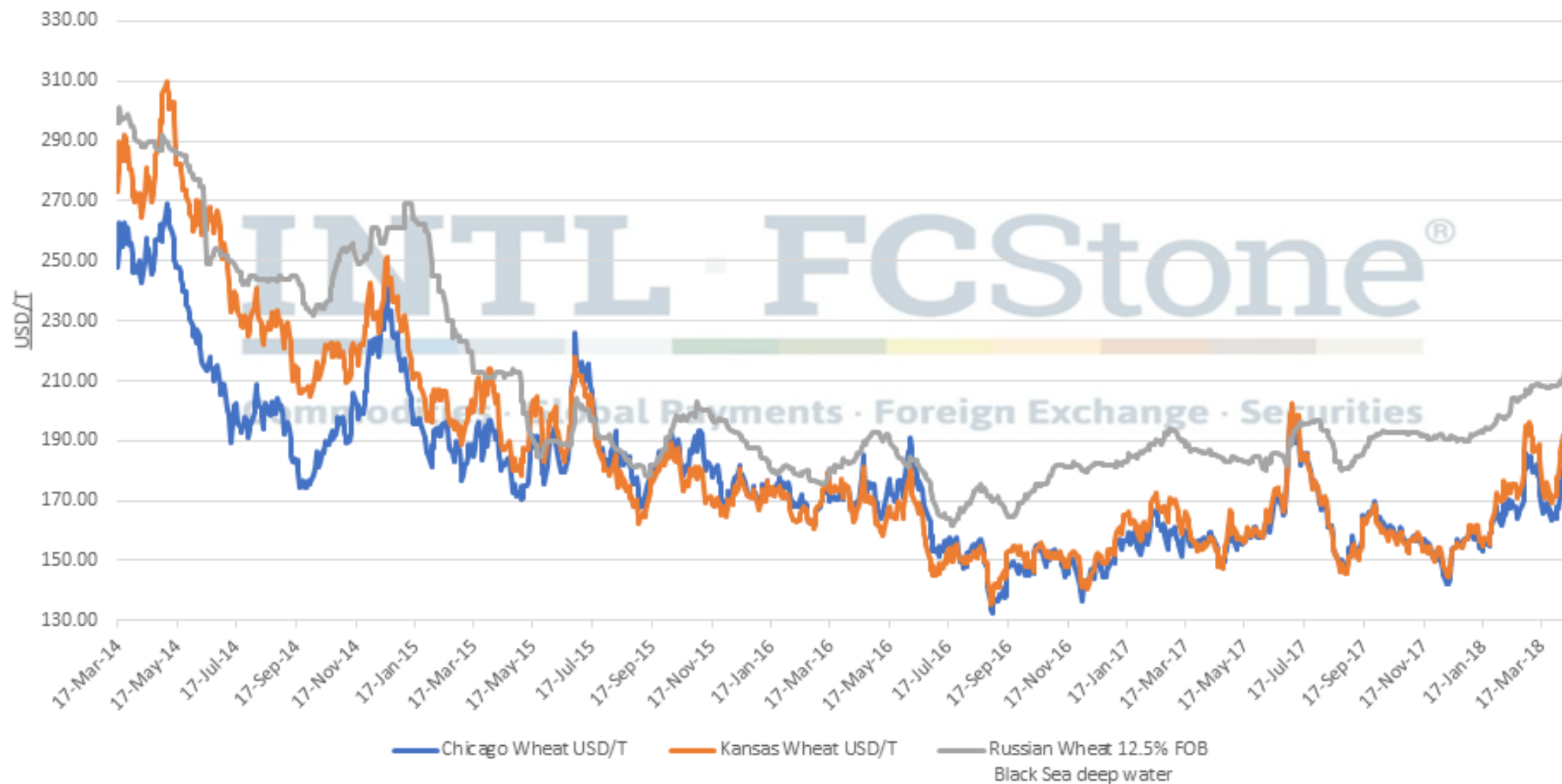
Part 1:

When caught in a rip, Swim sideways.

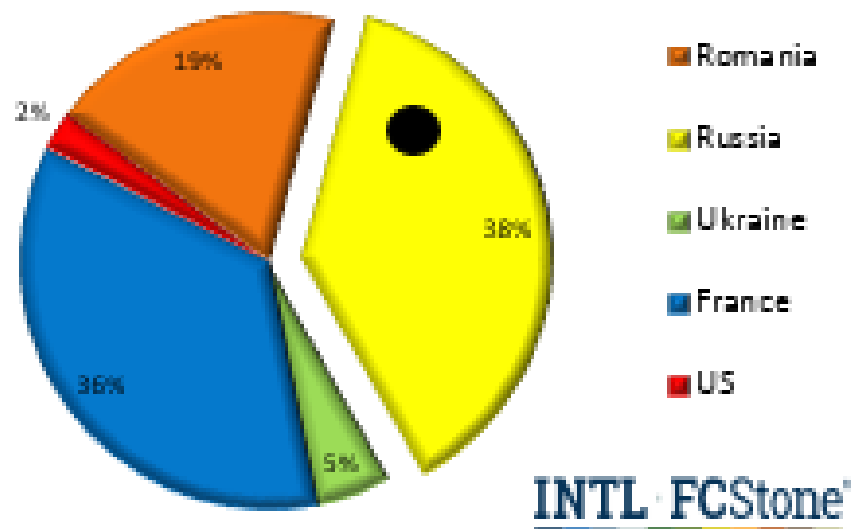




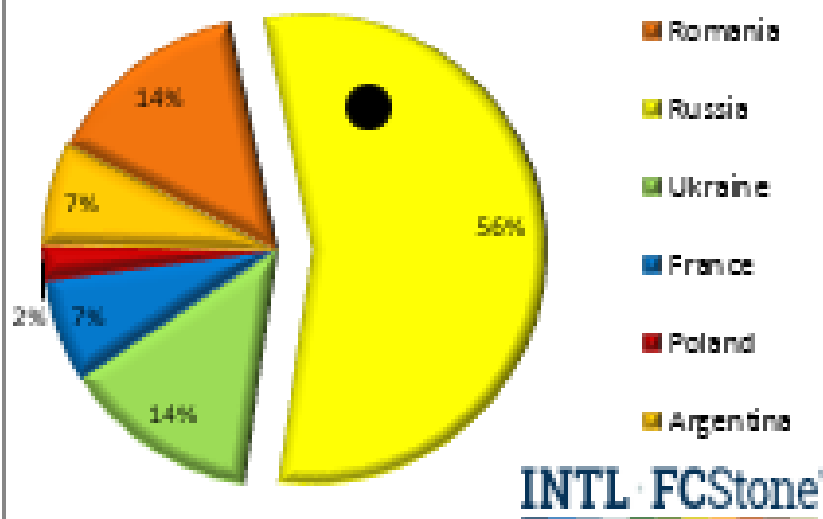
US Futures Vs Russia FOB (USD/T)



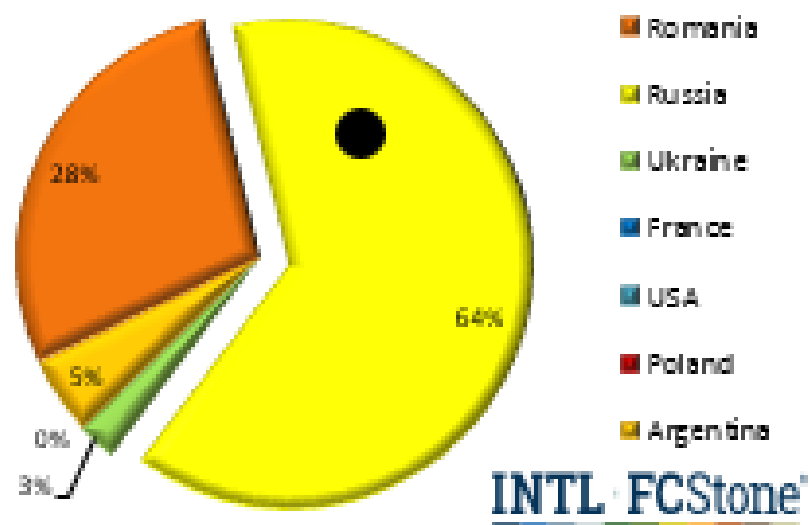
GASC origins to date 2014/15



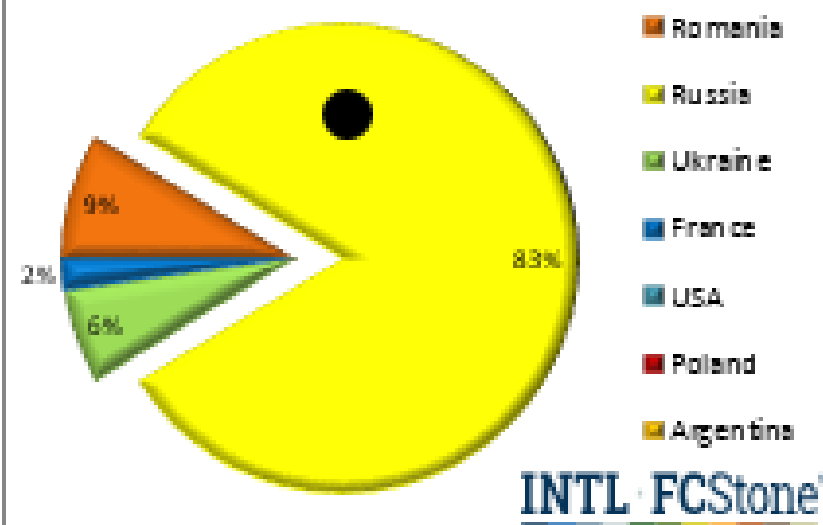
GASC origins to date 2015/16



GASC origins to date 2016/17

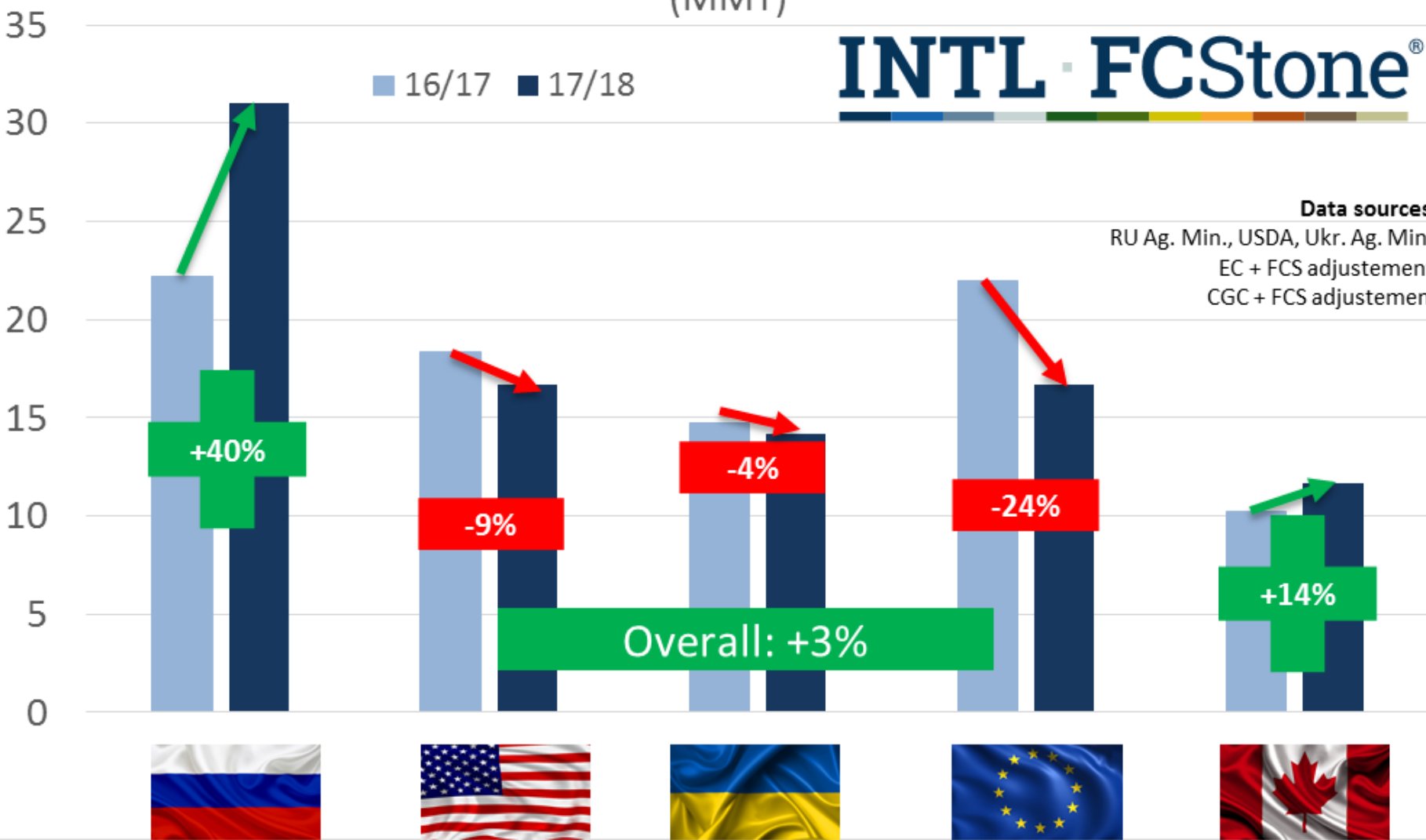


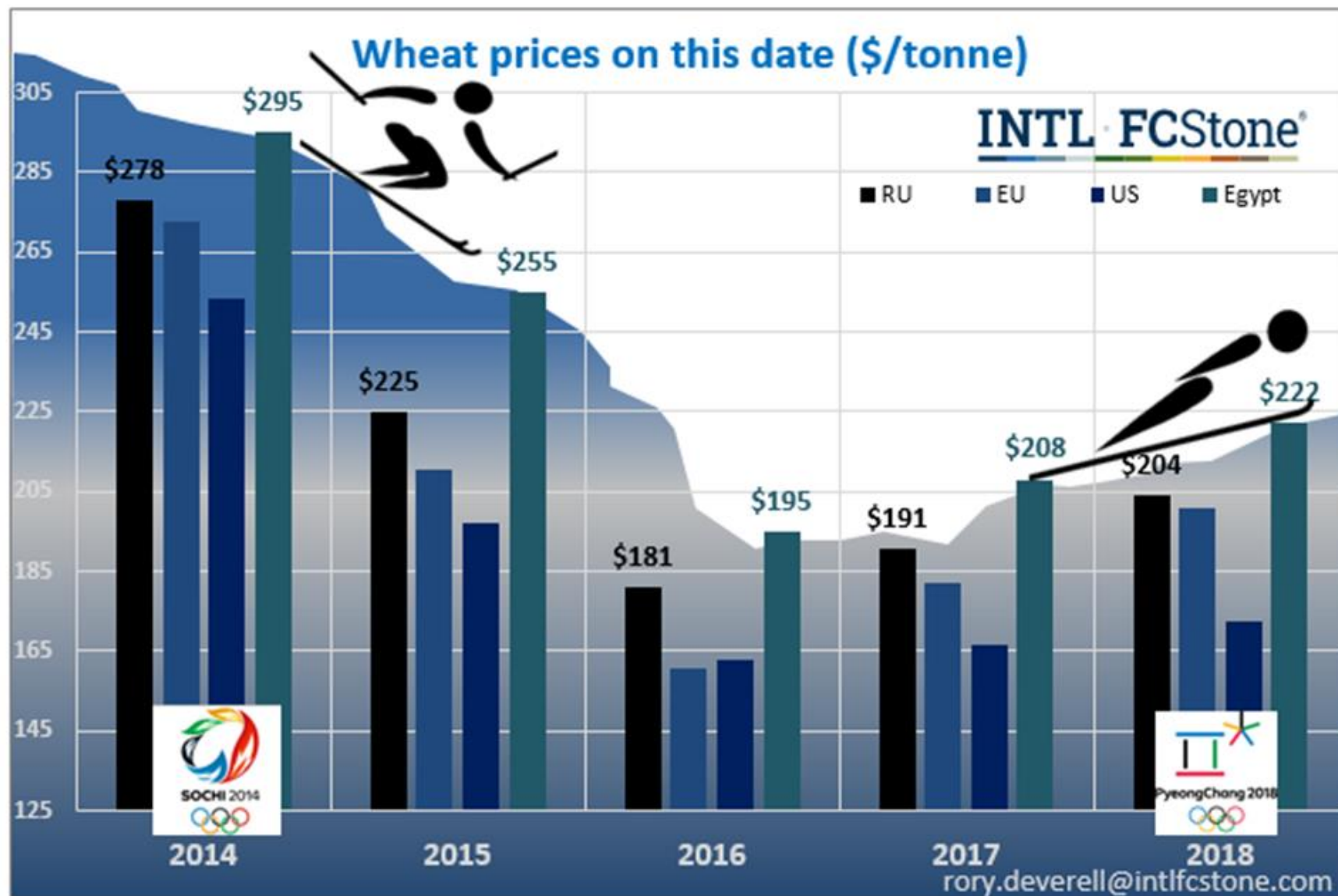
GASC origins to date 2017/18

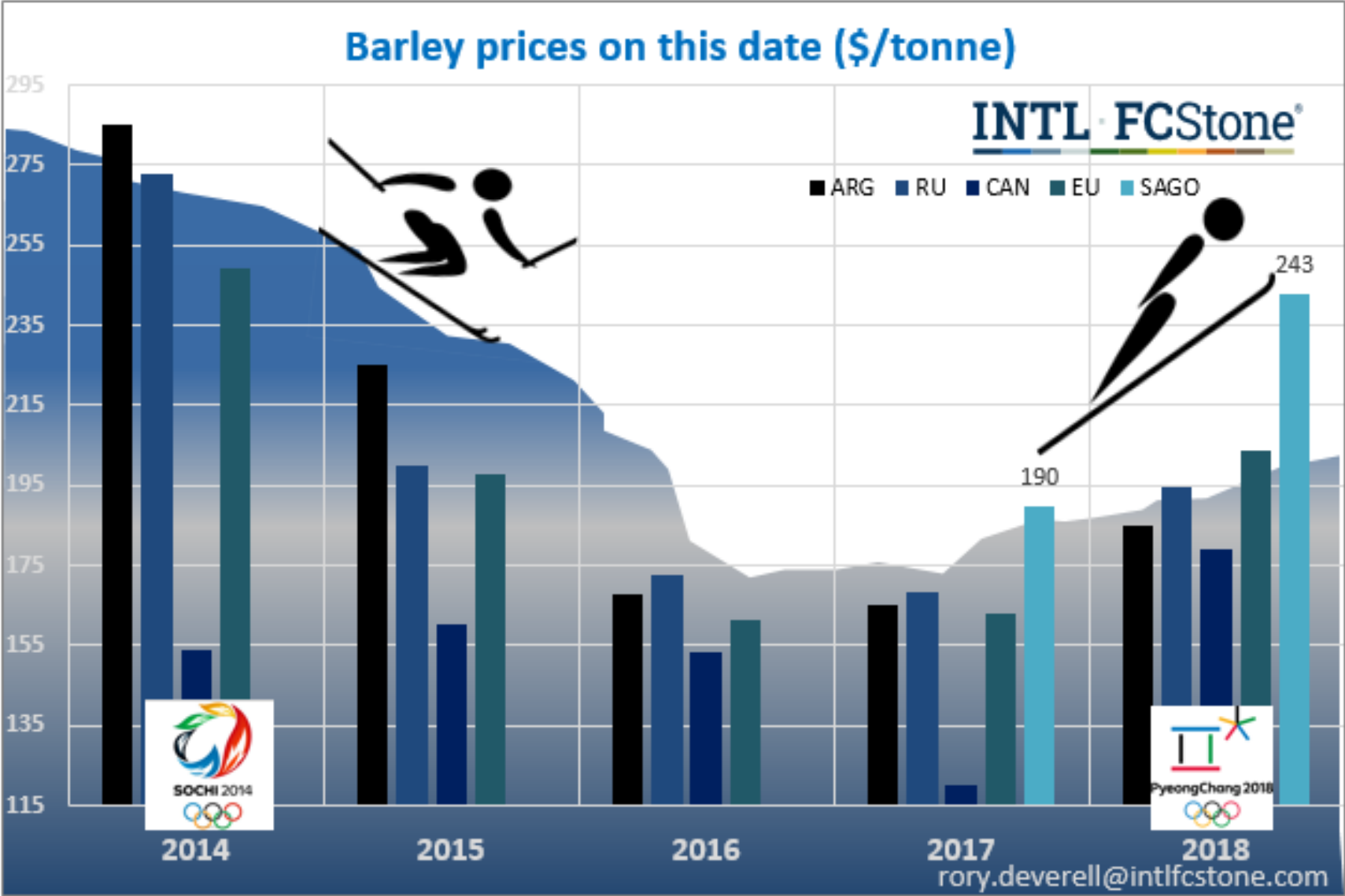


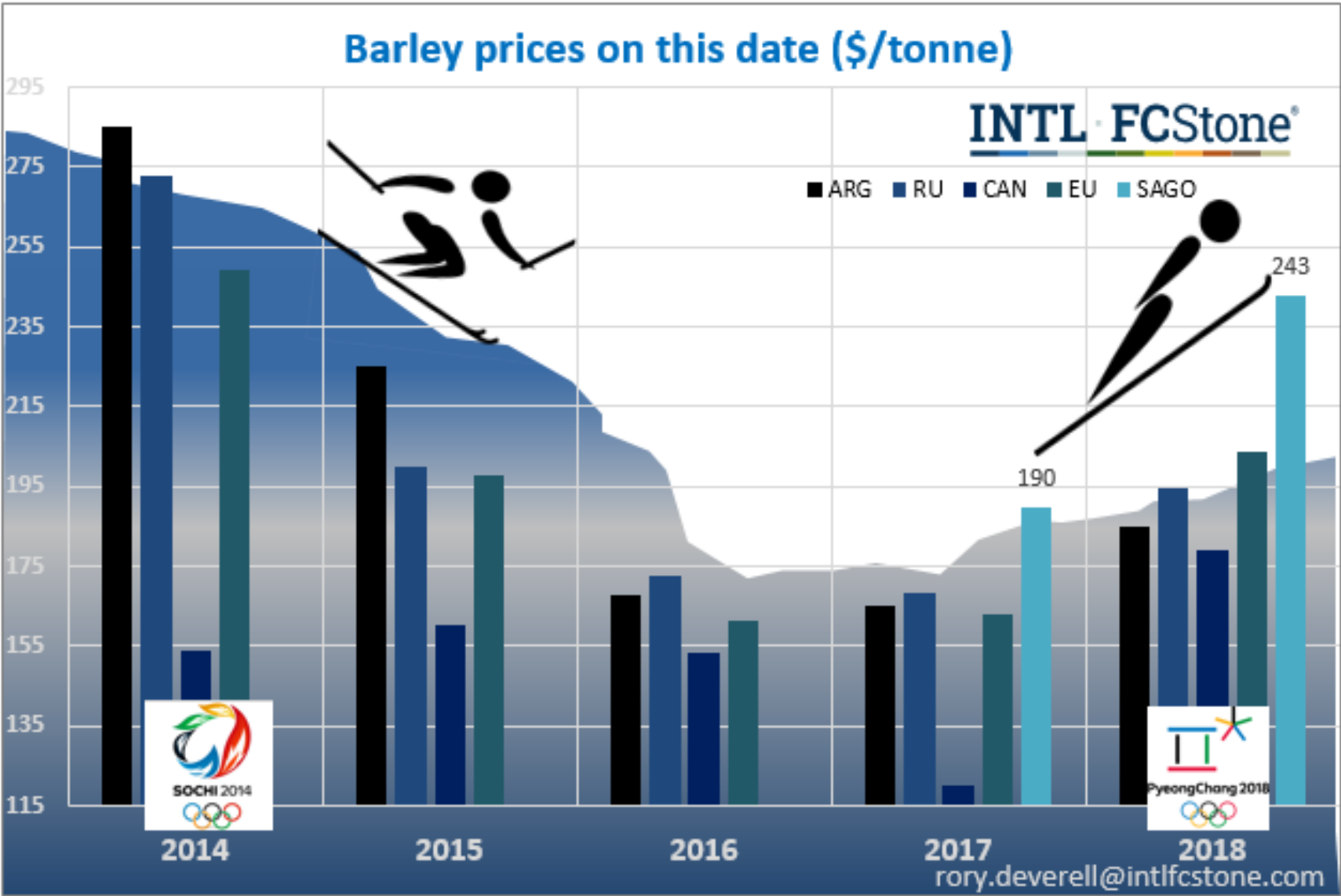
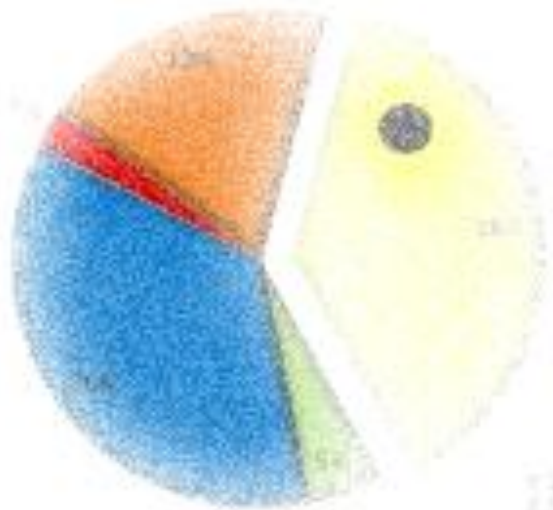
Cumulative (Jul-Mar) Wheat export comparison to 16/17 campaign (MMT)

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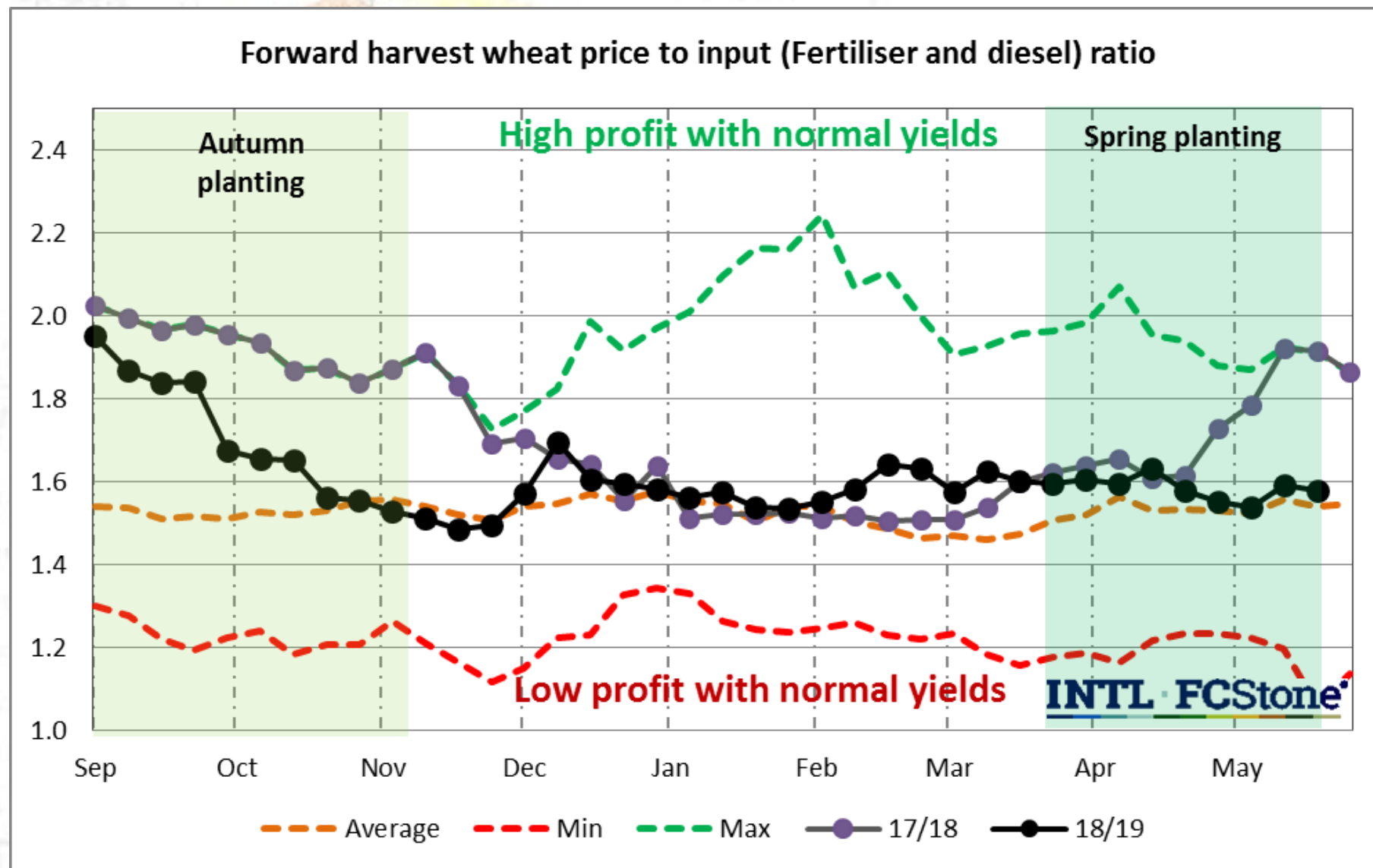






Fertiliser/diesel cost versus wheat prices





Part 2:

“Farming looks mighty easy when your plow is a pencil and you're a thousand miles from the corn field”

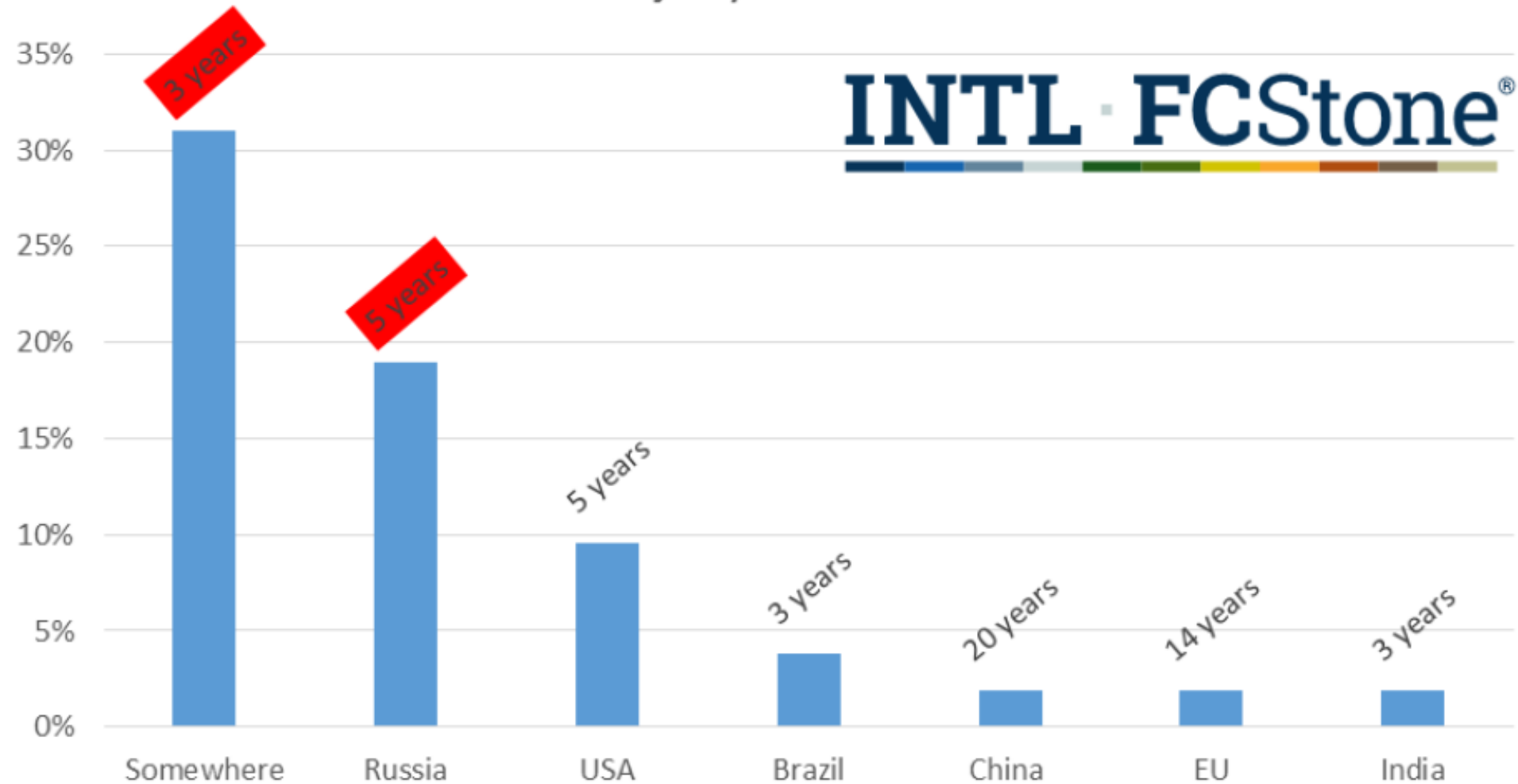
Global grain production and trade

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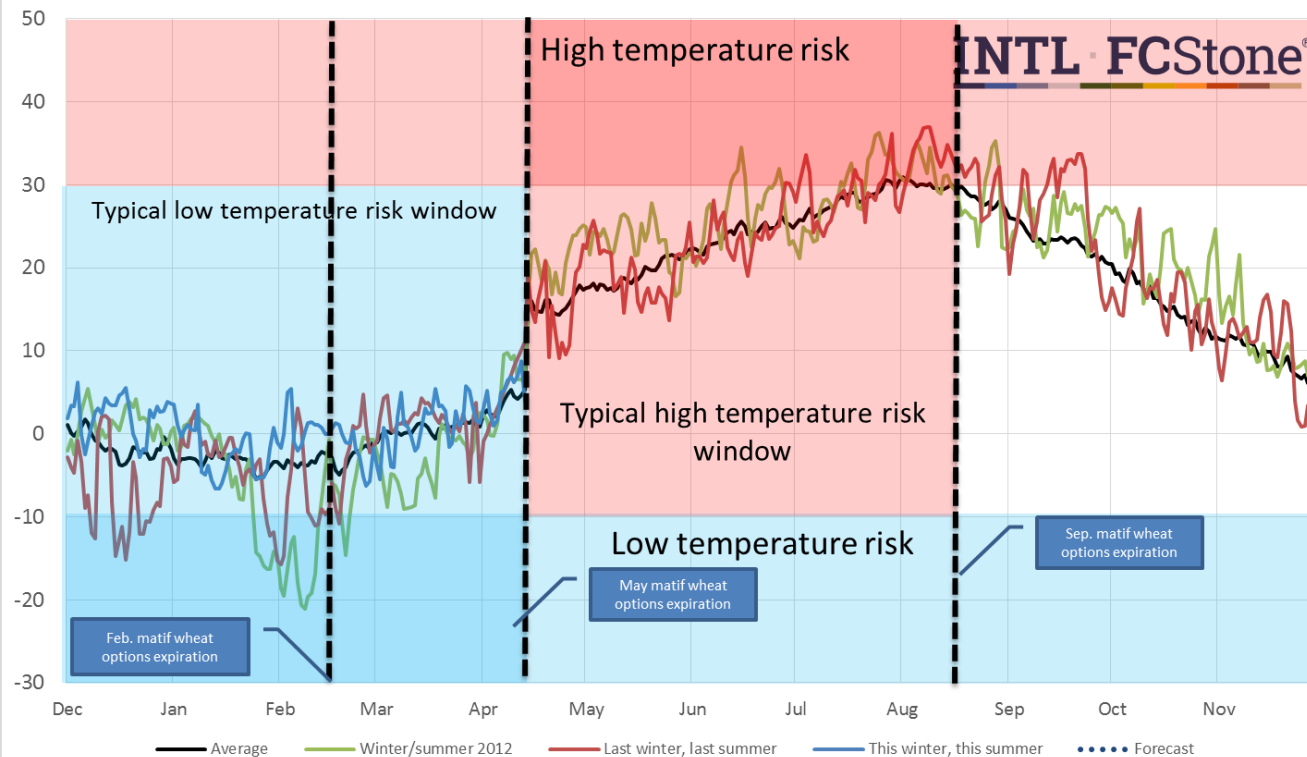


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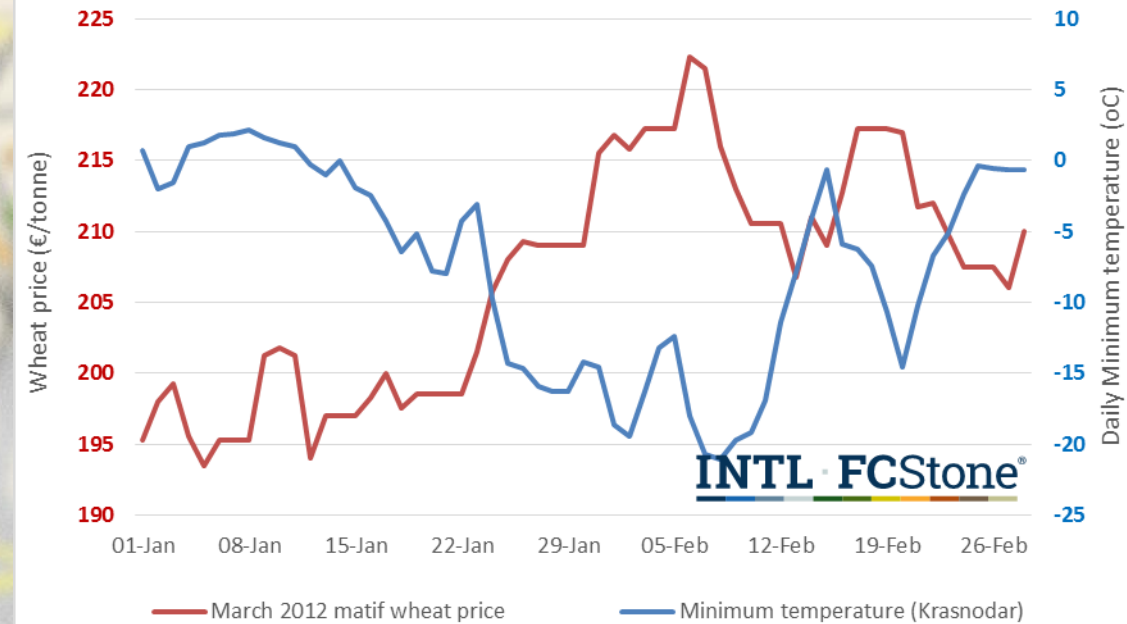
% of times of major yield losses since 1967 and time since last major yield loss event



Typical seasonal min. (winter) and max (summer) temperatures Krasnodar Russia (°C)



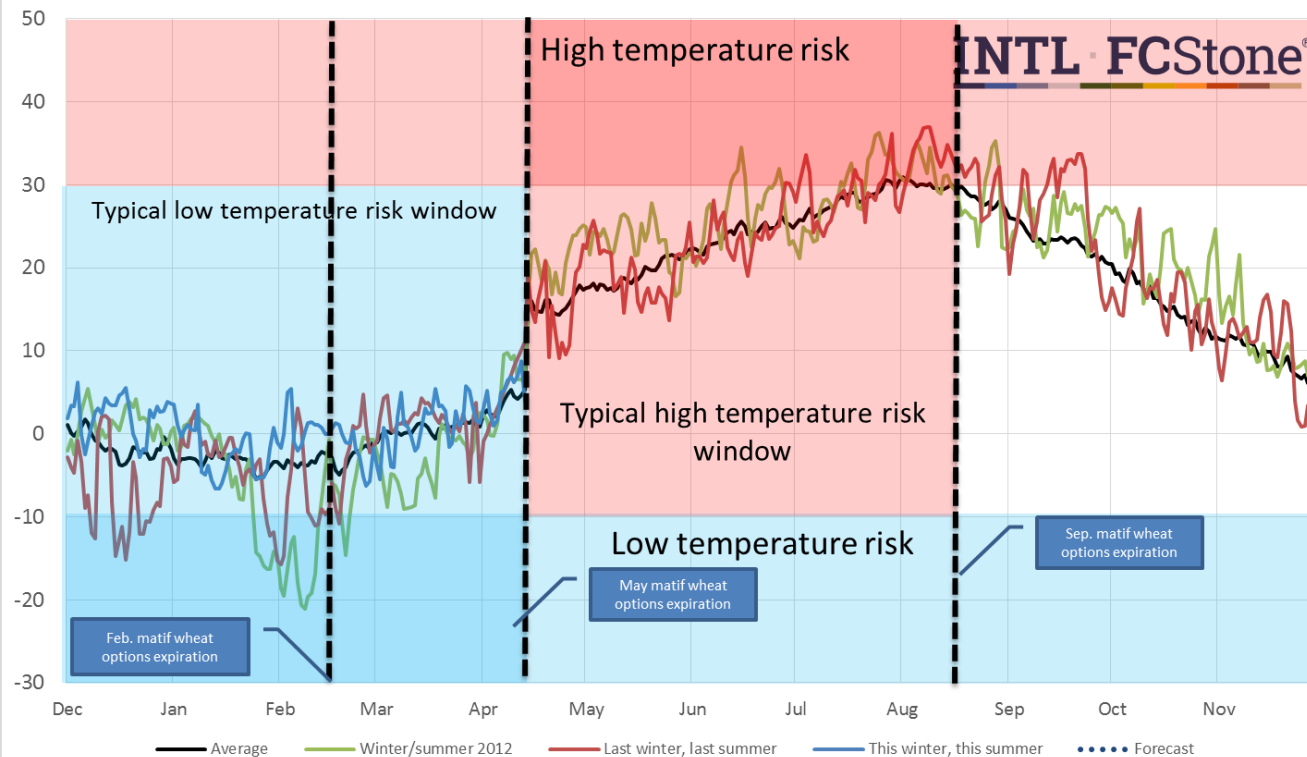
Matif wheat price versus Black sea temperature in 2012



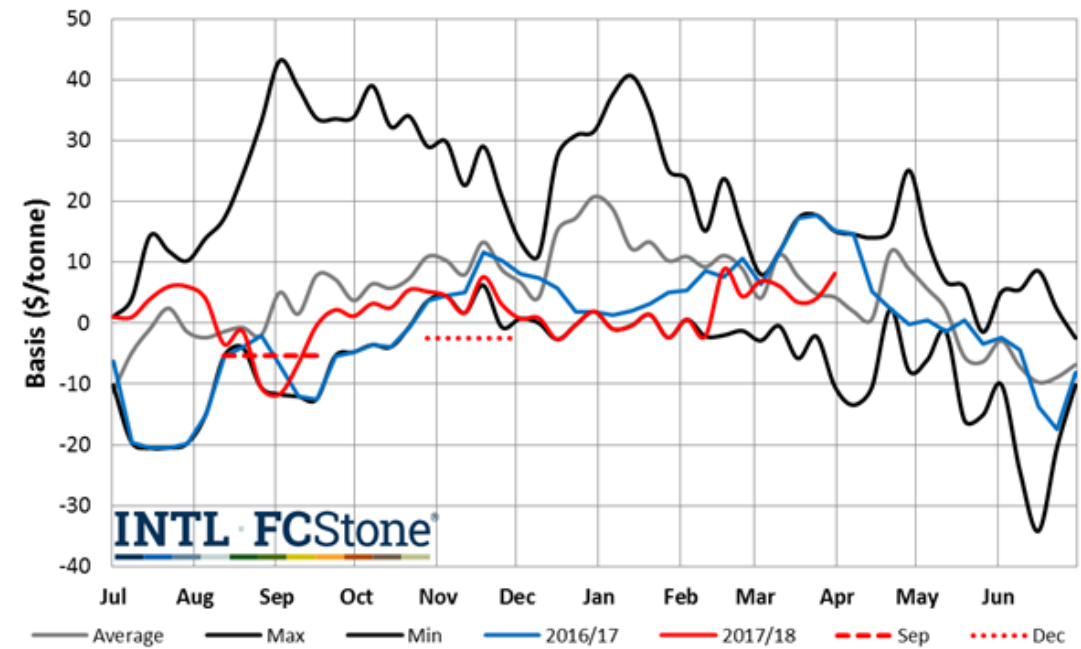
Global grain production and trade

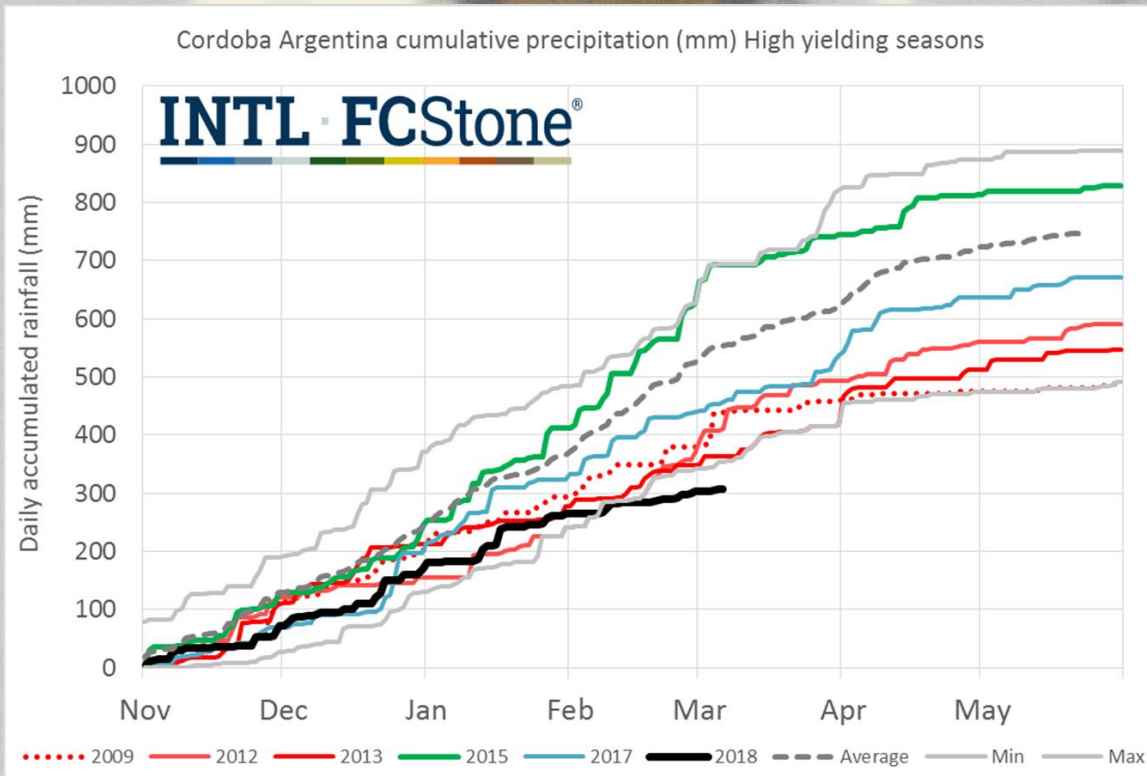
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Typical seasonal min. (winter) and max (summer) temperatures Krasnodar Russia (°C)

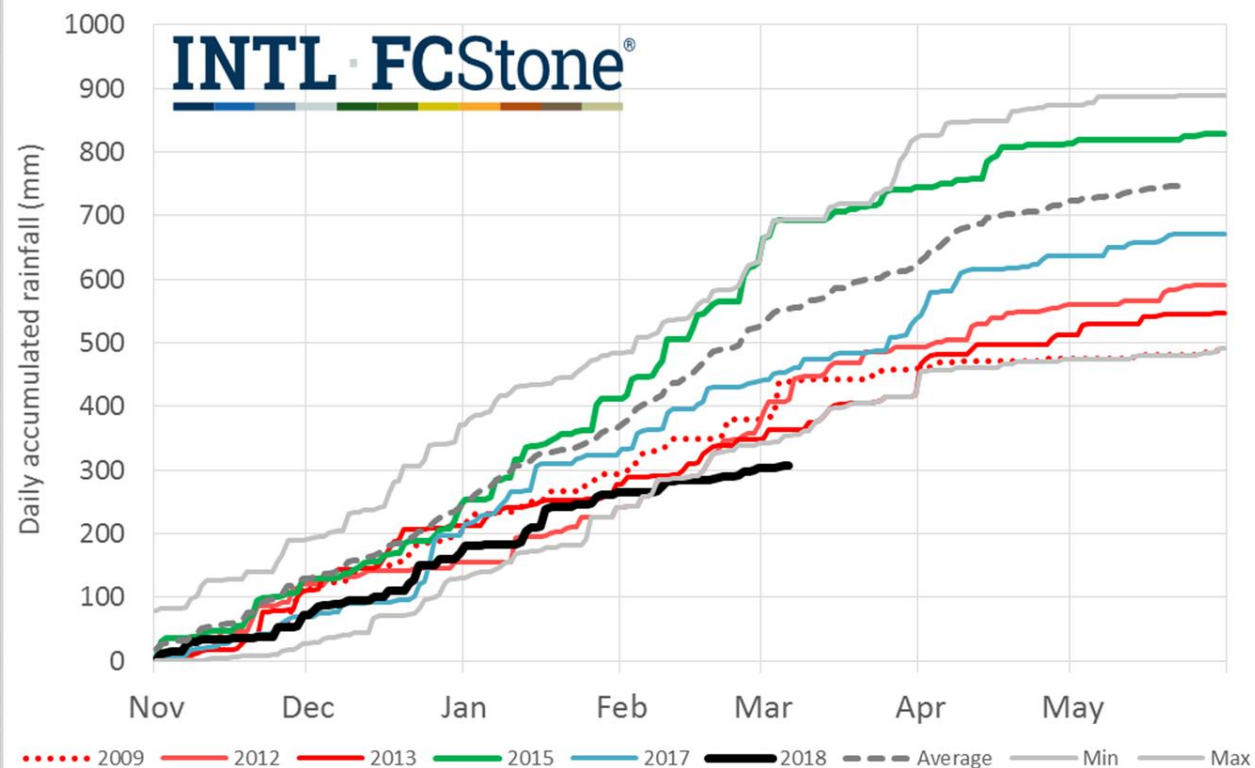


Black sea 12.5% wheat basis v matif wheat futures

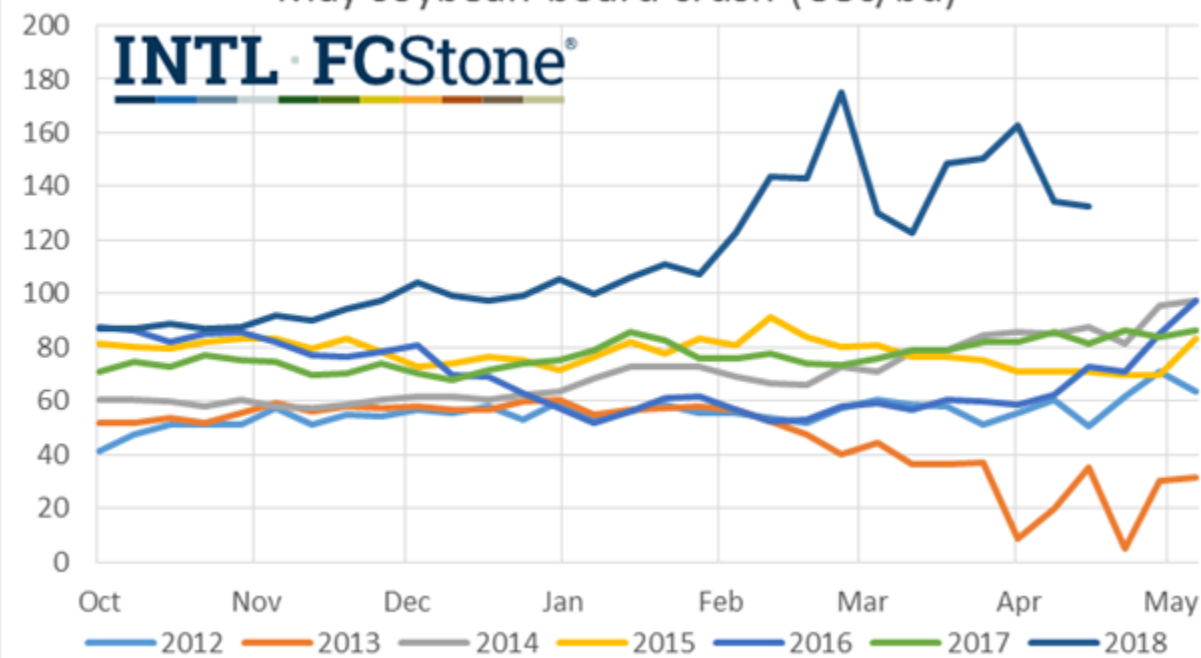




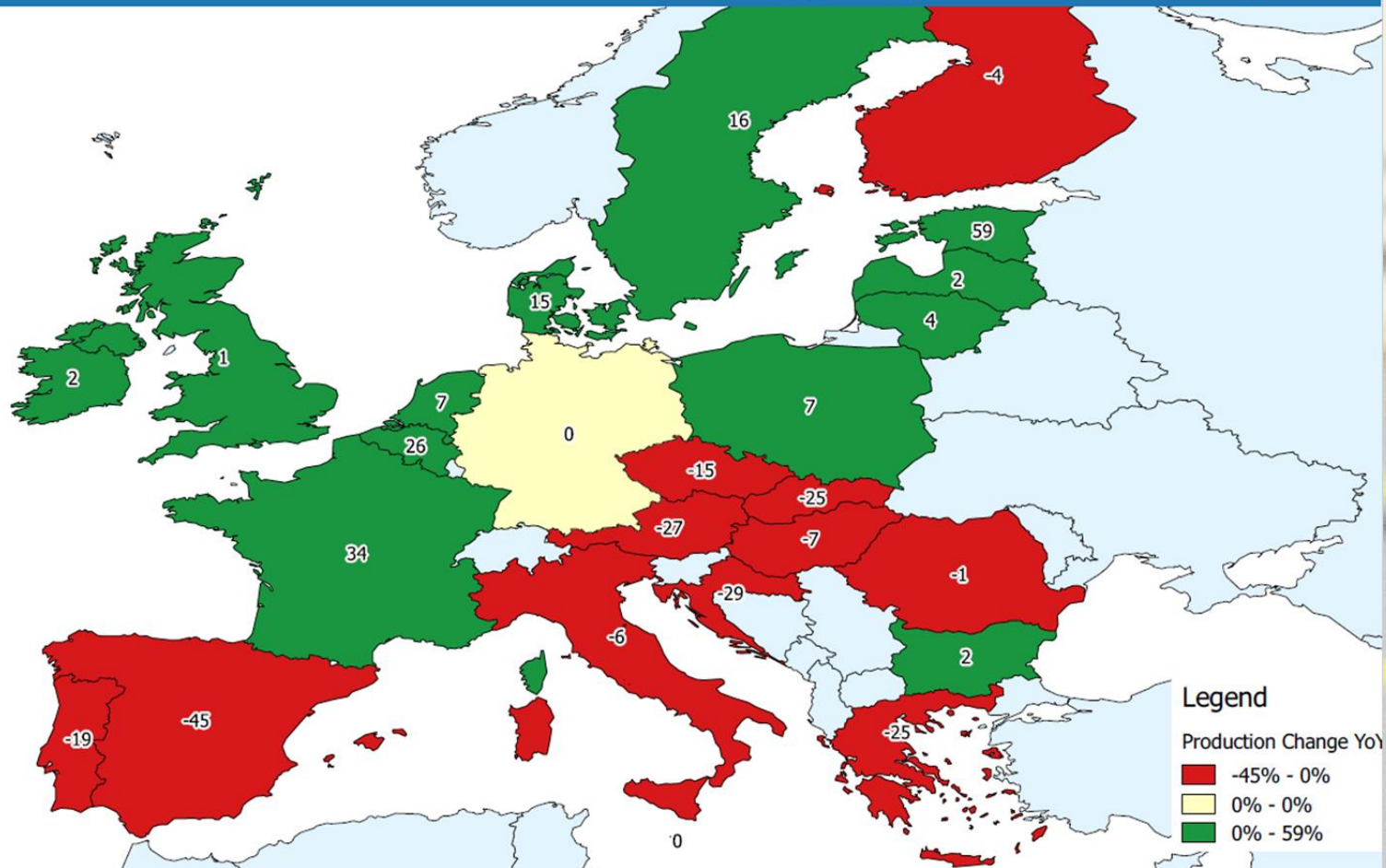
Cordoba Argentina cumulative precipitation (mm) High yielding seasons



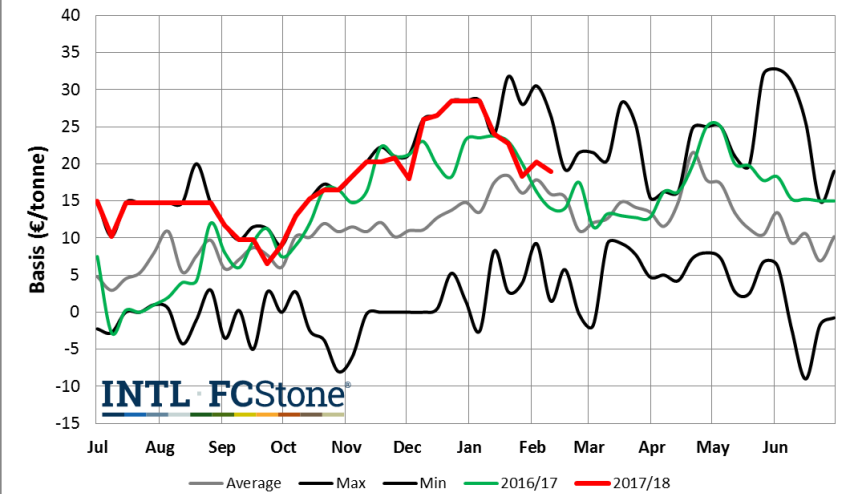
May soybean board crush (USc/bu)



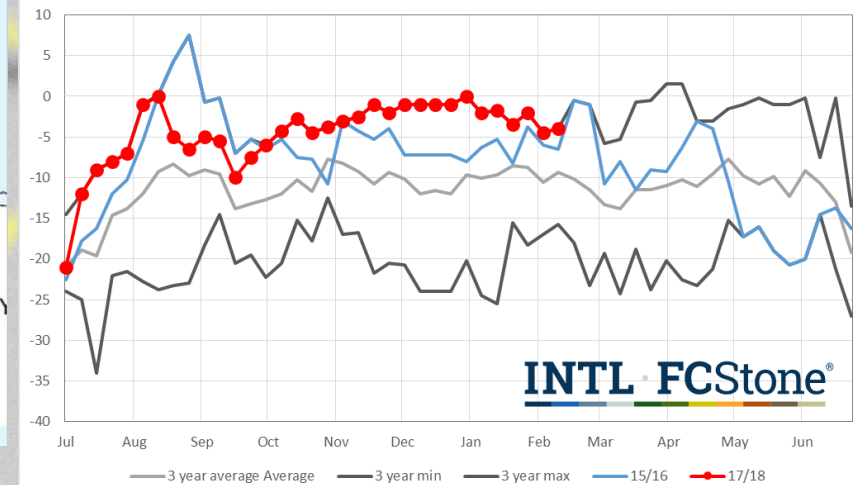
EU Wheat Production change (2016 v 2017)



Spanish Feed Wheat (Tarragona) Basis Matif



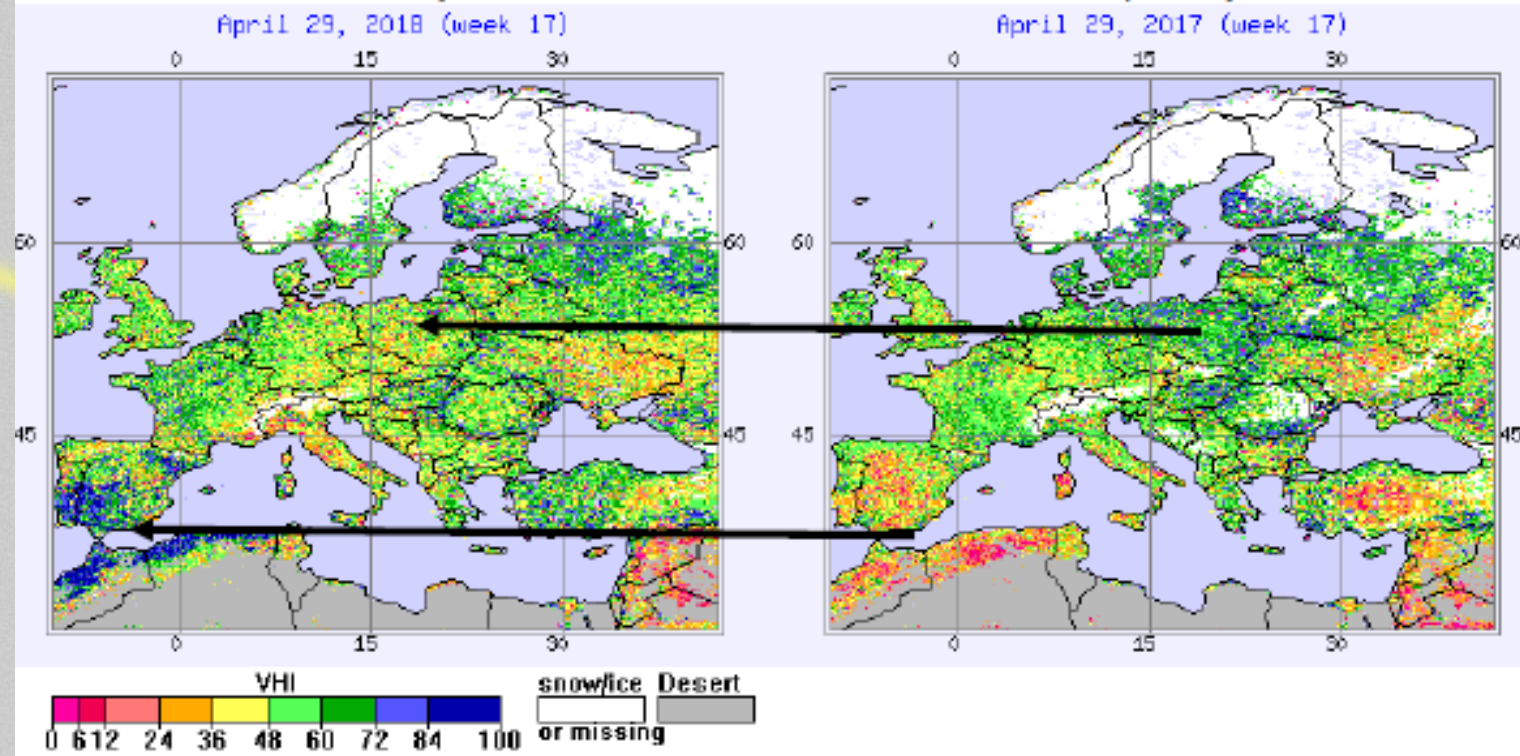
South East Germany feed wheat (<10% pro) basis (€/tonne)





Risk Manager - Cause and effect, global VHI update

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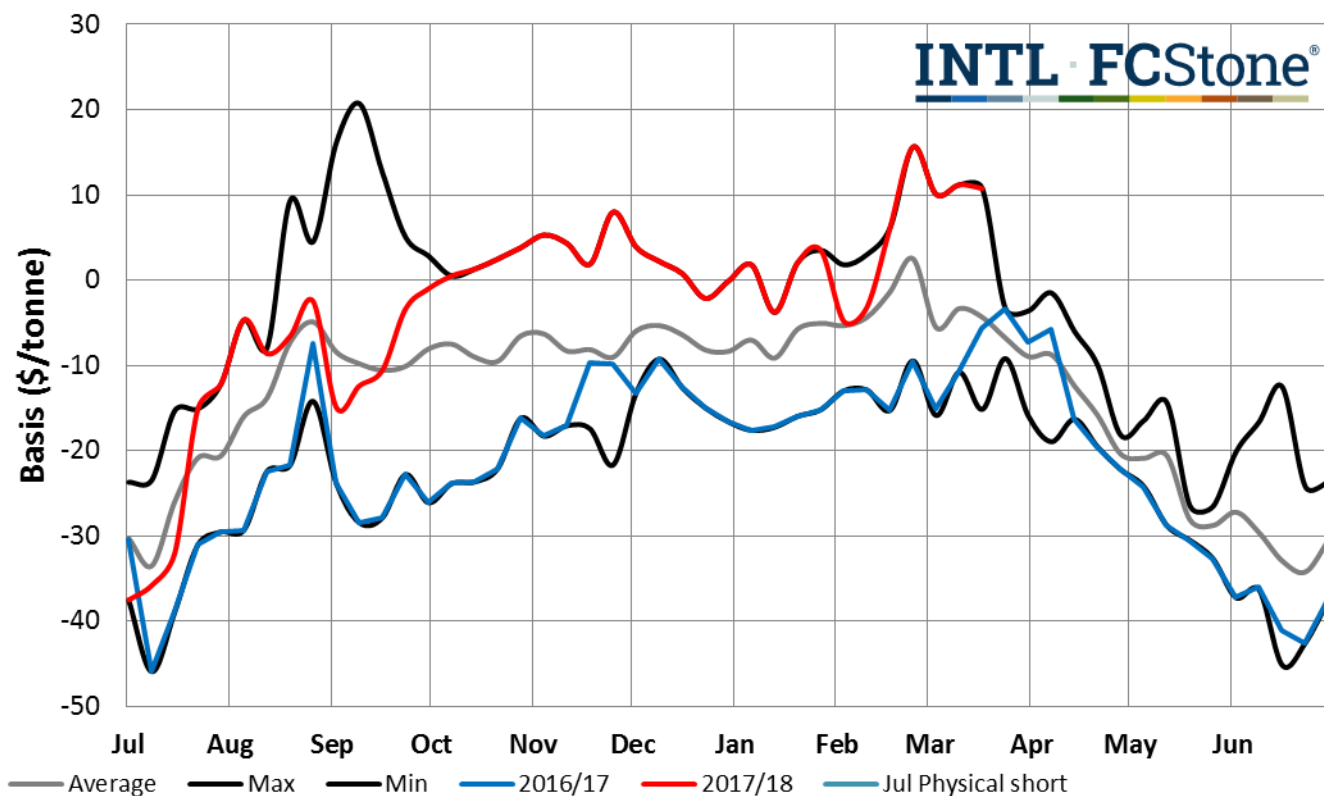


Cause: In Europe the clear weather winner this season is the Iberian peninsula as well as France's other typical trade partners in North Africa which will eat into the demand profile next season. Poland looks the most troubled at this point from a VHI perspective, this time last year the conditions were more favourable. **Effect:** French premiums soften and Matif relative value weaken.

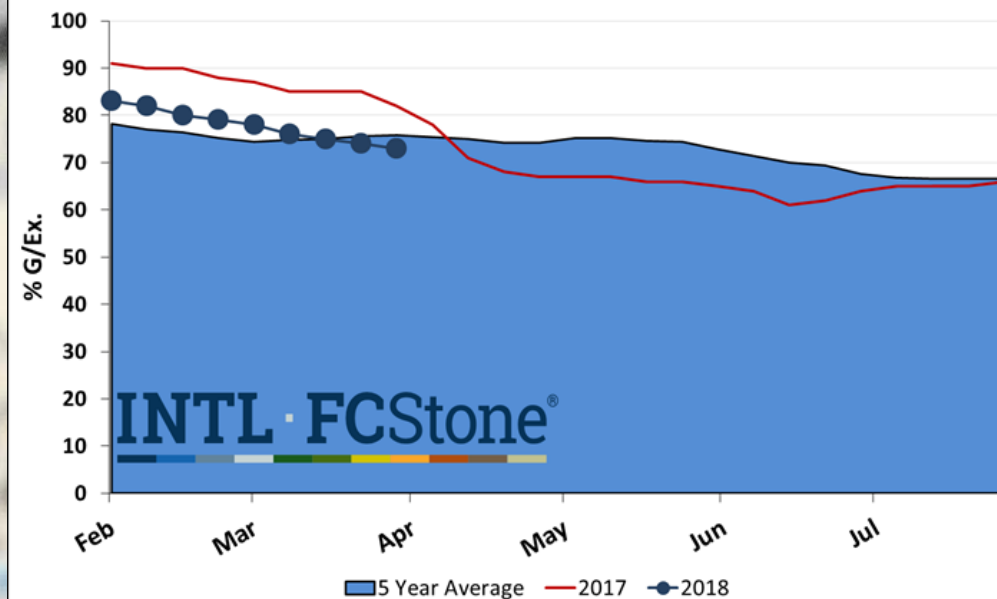
Cause: As we head East, E. Ukraine, similar to last season, is the least healthy looking Black sea origin while the destination market of Turkey is looking healthier than this time last season. Russia overall similar to last year if not better positioned than this time last season. **Effect:** For now, Black sea wheat premiums still well offered,

Global grain production

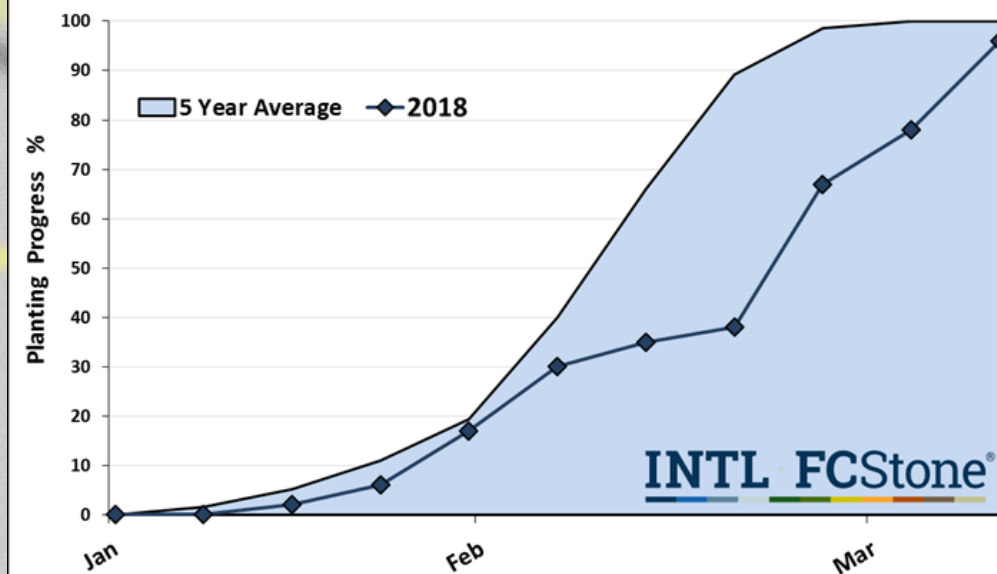
Black sea feed barley basis v matif wheat futures



French winter barley crop condition ratings



French Spring Barley planting Progress



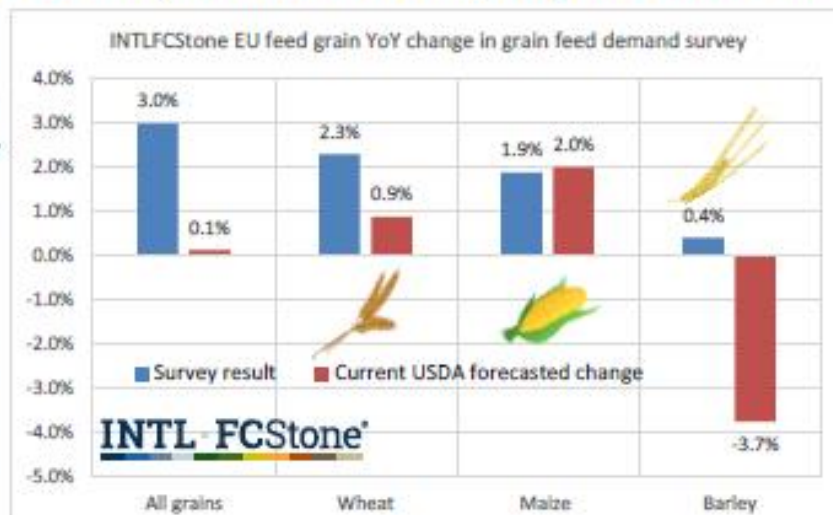


Risk Manager - EU feed demand survey

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EU wheat production increased sharply on last year this harvest, maize is being imported at breakneck speed and wheat exports are running significantly behind last season yet EU feed grain cash prices are resisting international price pressure, Matif is trading a high premium over CME, world prices in USD are arguably higher than one might expect when Russia produces another record crop and dominates export flows etc. etc.. So why are prices not reflecting the apparent excesses of supply? In order to take a step towards informing you better about EU demand now that we are more than half way through the season we have surveyed our clients from across Europe to get a sense of how feed demand compares to last season. We received responses from every part of Europe to give a flavour of which feed grains and regions are seeing greatest demand growth and contraction versus last season.

First of all the survey was conducted over 3 days targeting our feed industry clients including feed compounders, end users and traders. The survey asked them their opinion regarding the relative change, year-on-year for feed grains as a whole and for each individual feed grain (wheat, maize, barley). The results were then given a weighted average and broken out for each grain and region.

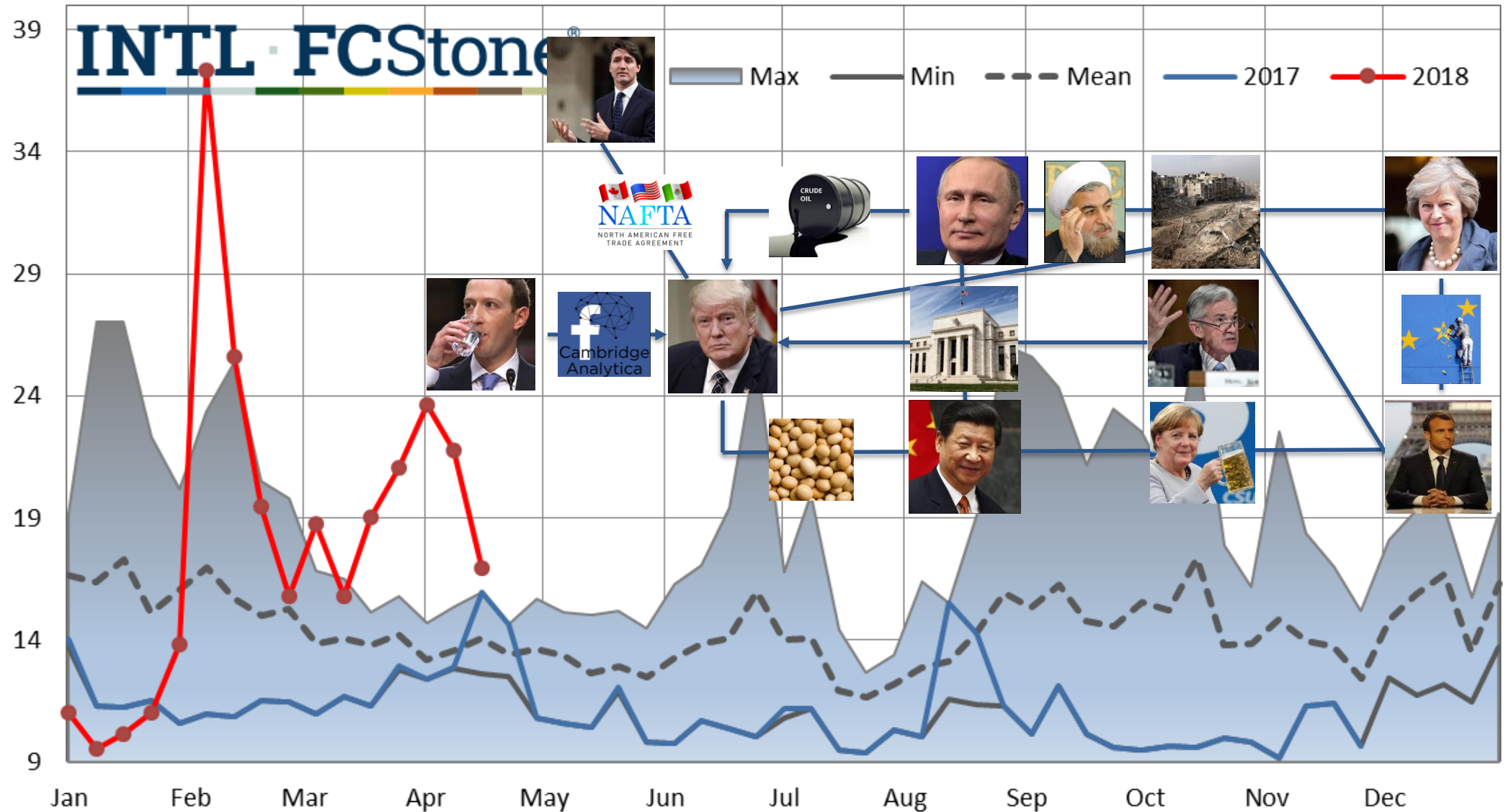


Part 3:

The wolves of yellowstone

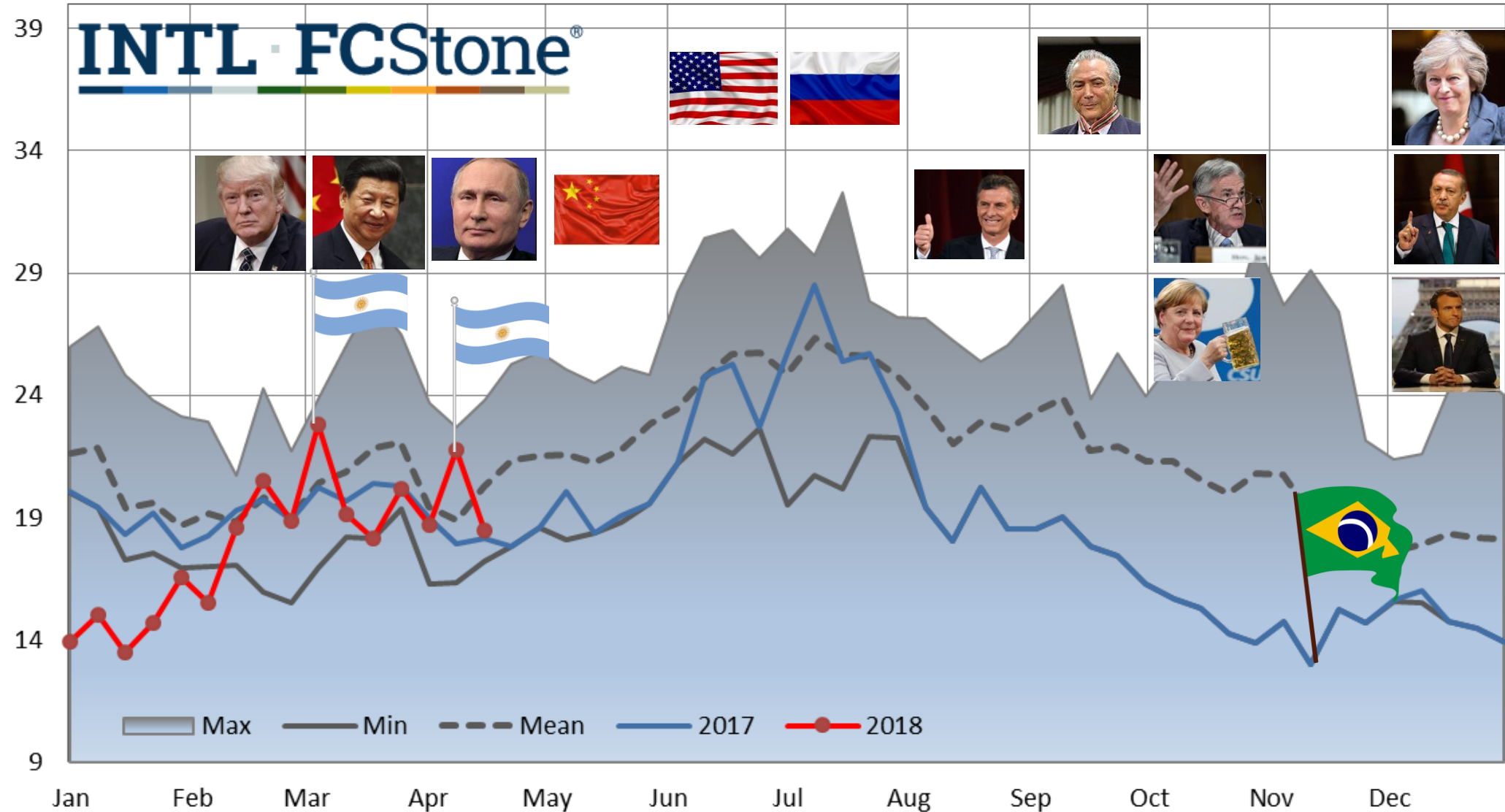


VIX (%)



*Option volatility index. For index details contact rory.deverell@intlfcstone.com

INTL FCStone Grain and oilseed AGVIX* (%)



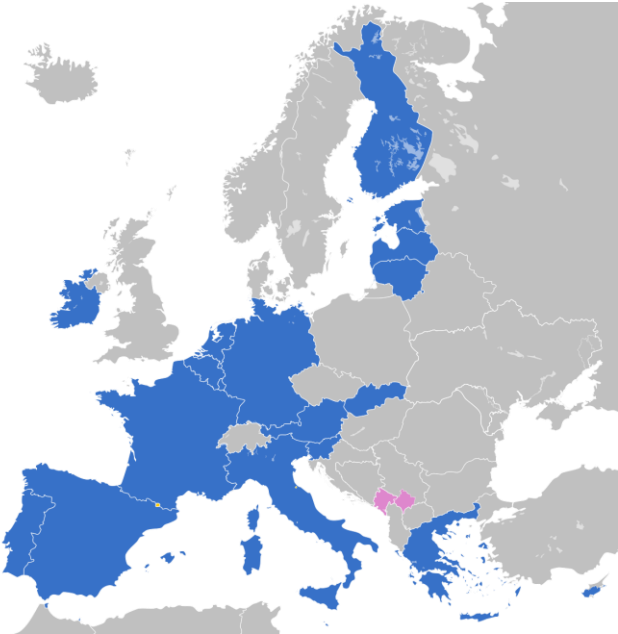
*Option volatility index. For index details contact rory.deverell@intlfcstone.com

3 Europe's within Europe

European Union



Eurozone



Schengen



Macron



May



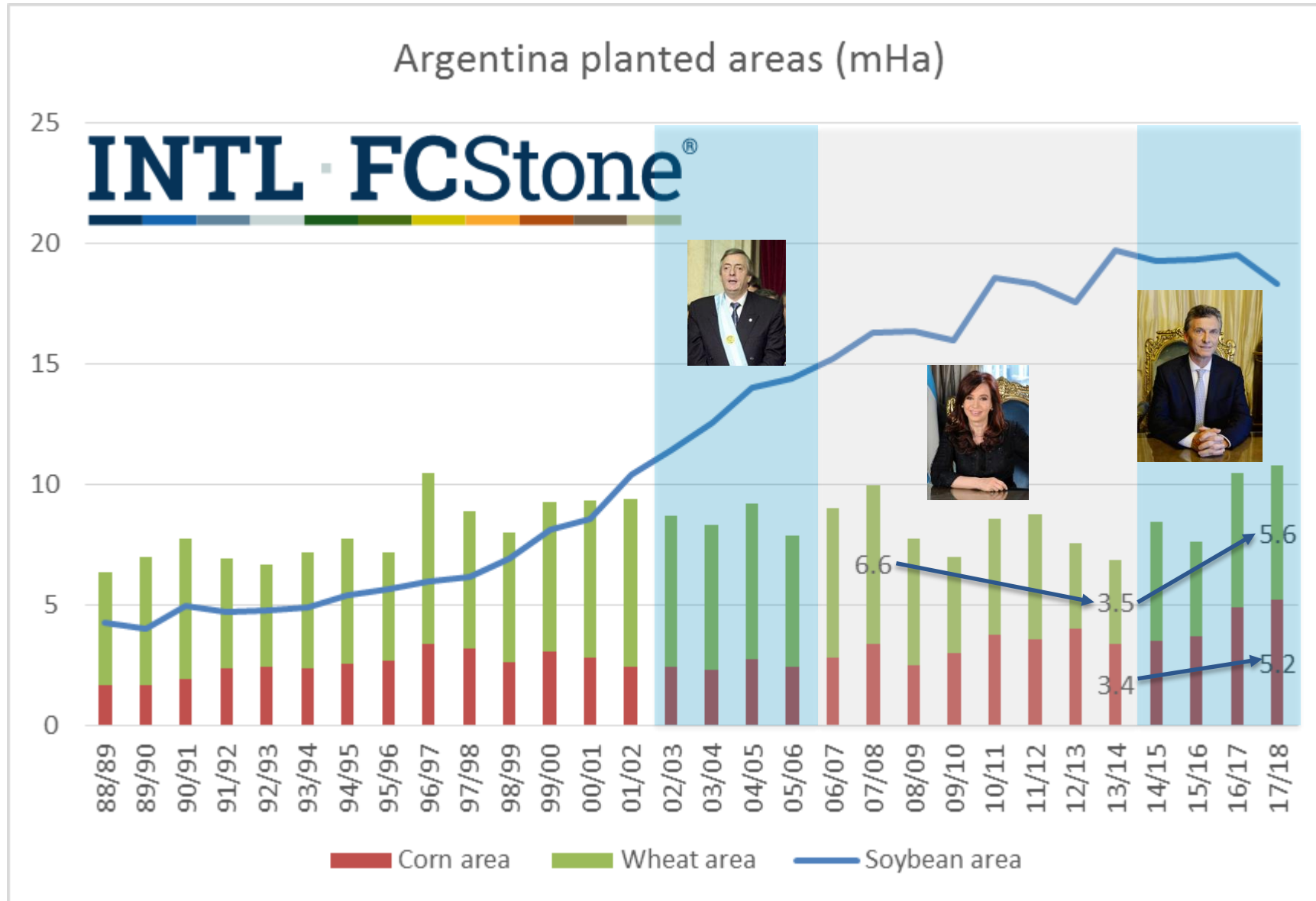
Orban



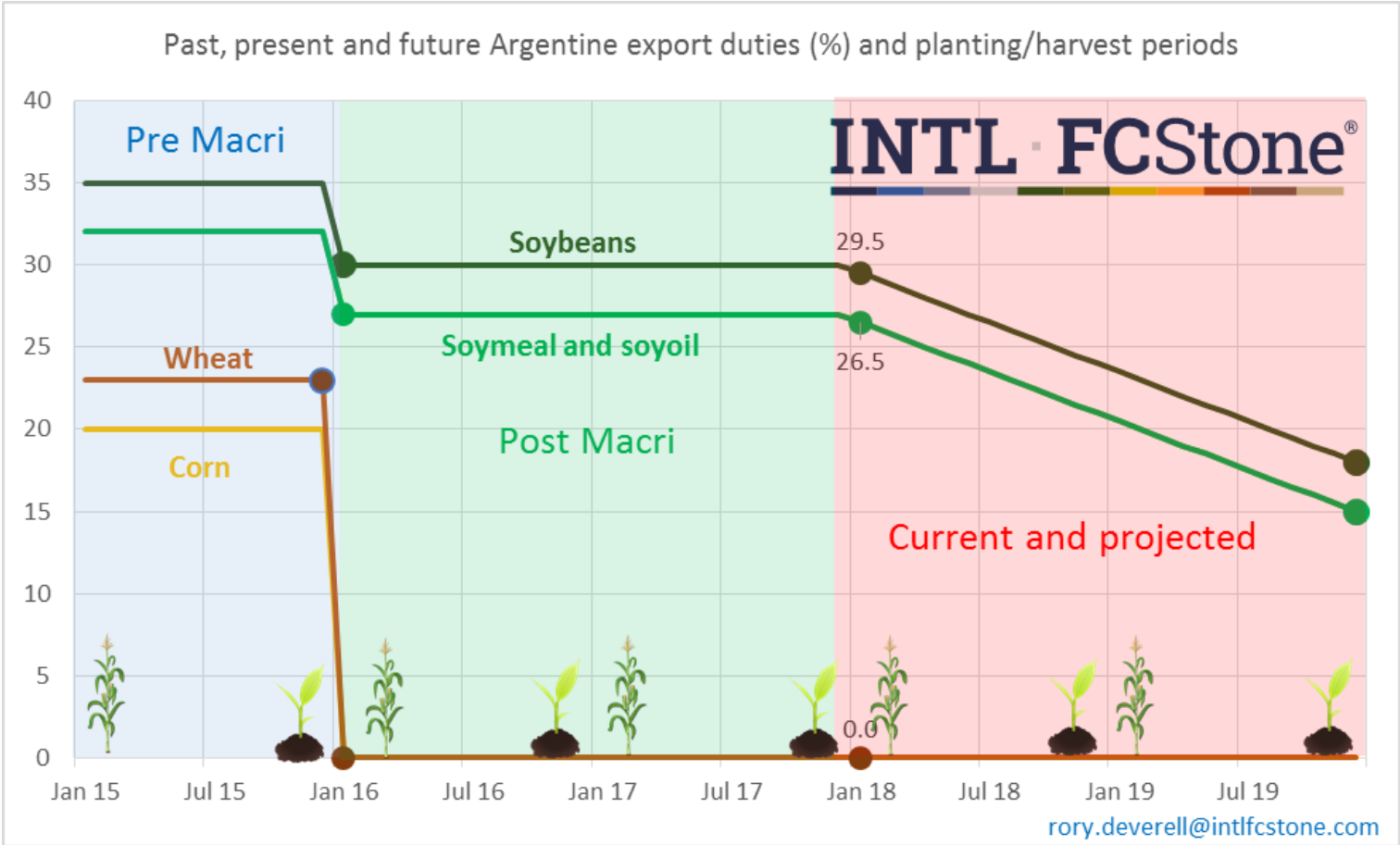
Rail strikes = slow grain movements

Brexit = currency volatility

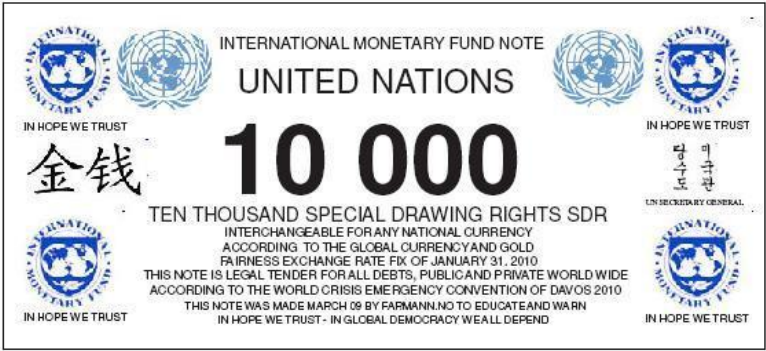
Gov. control = VAT issues and trade controls



Risk



How will we value commodities?



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Gold standard



Fiat currency



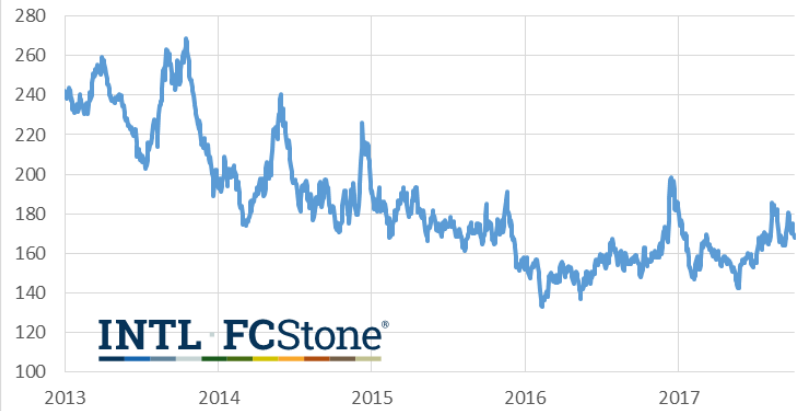
Crypto currency



Value of wheat in gold terms

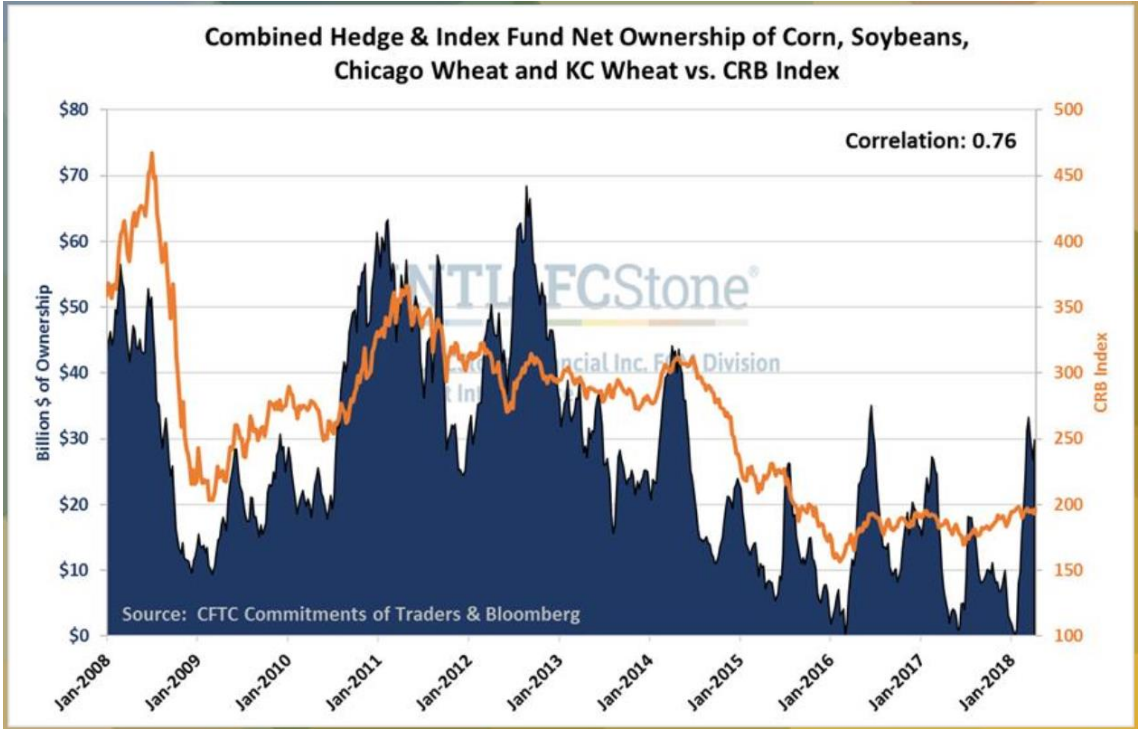
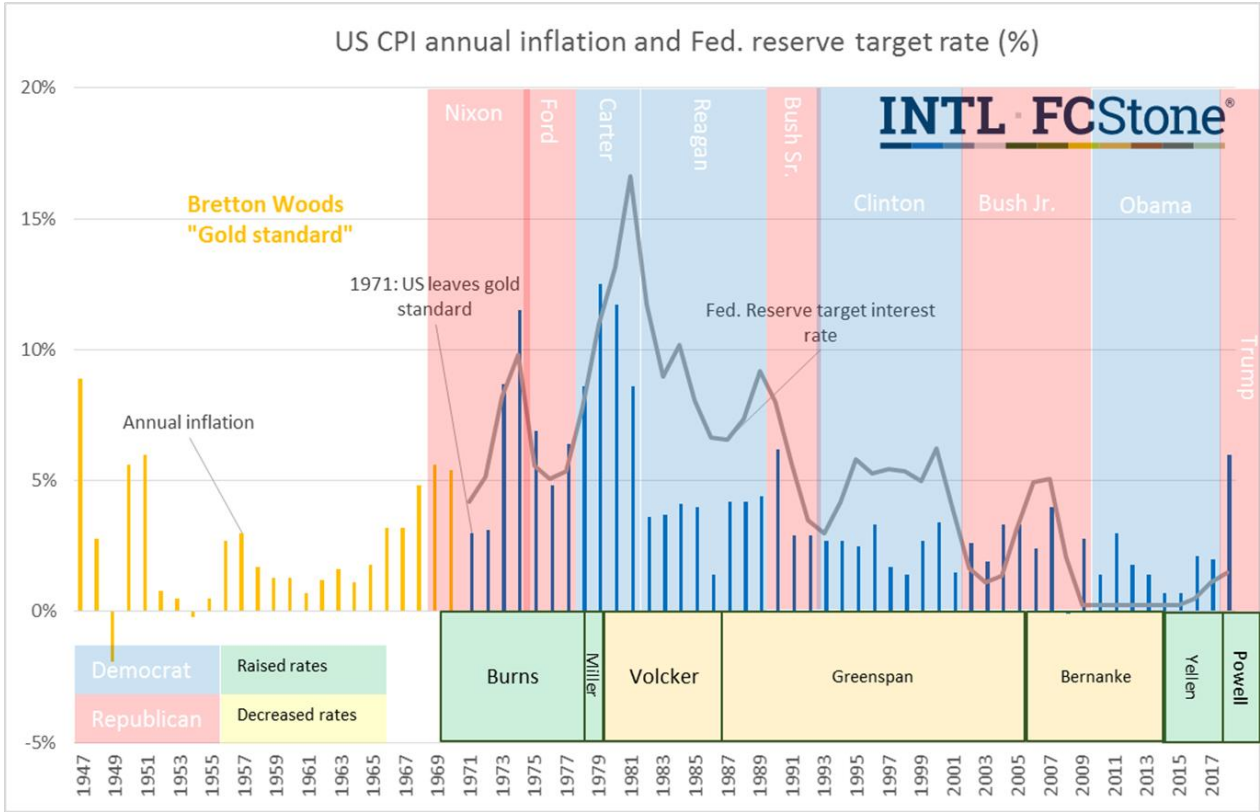


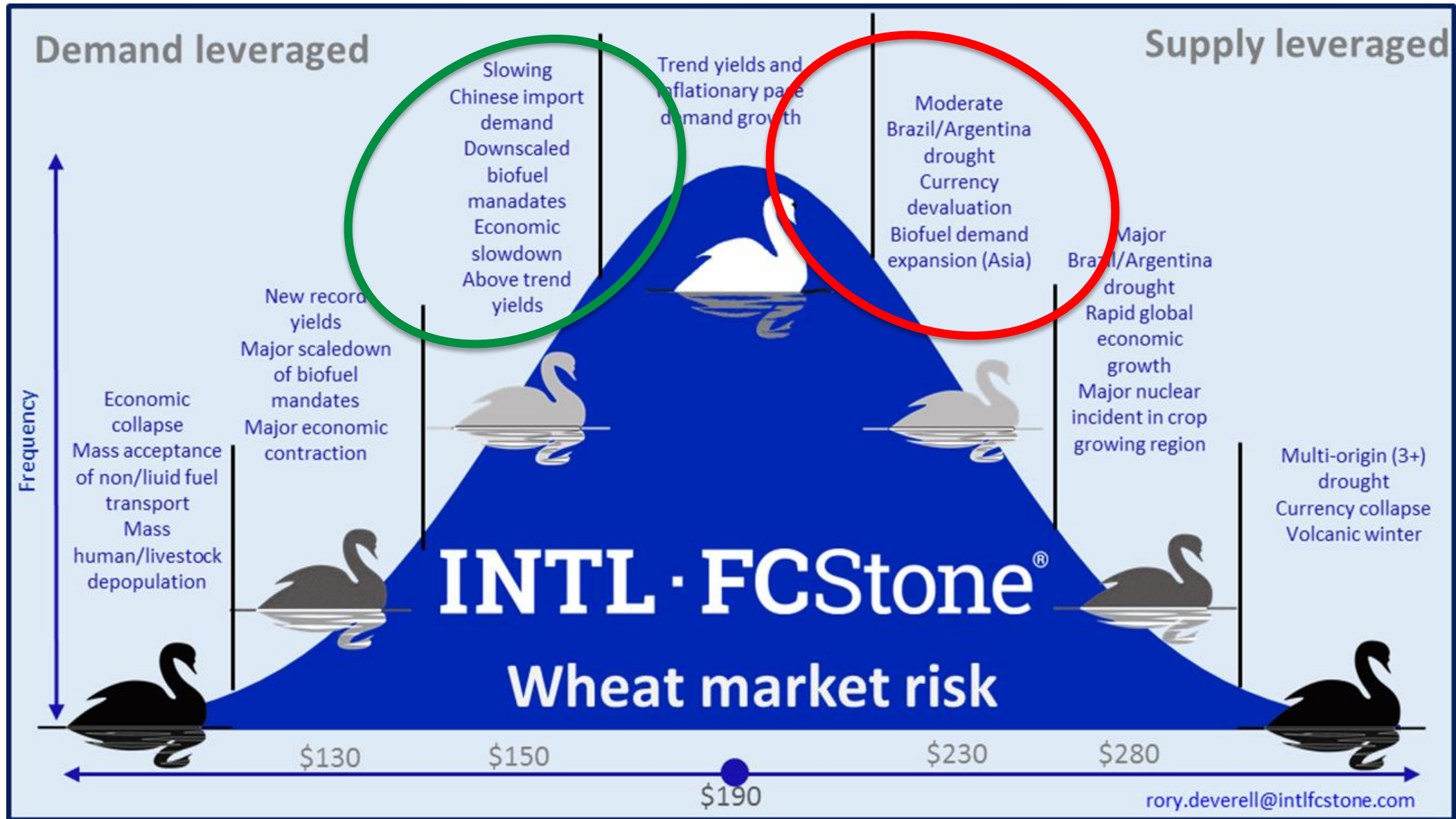
Value of wheat in USD terms



Value of wheat in Bitcoin terms







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