

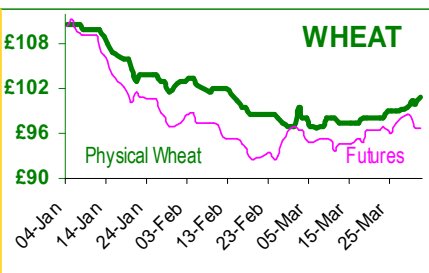
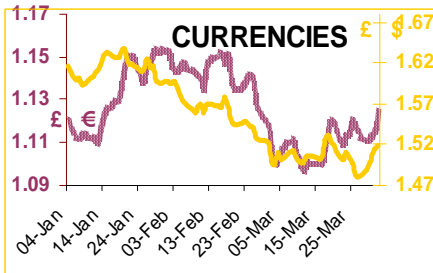


HUMPHREY FEEDS

WEEKLY COMMODITY REPORT W/E 1-4-10



BY APPOINTMENT TO
HER MAJESTY THE QUEEN
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Sterling has enjoyed a bit of a resurgence during the week, making ground against \$ and the Euro, as well as the Yen against which most currencies gained in expectation of its weakening further. Supportive economic data emerged with better than expected GDP figures and

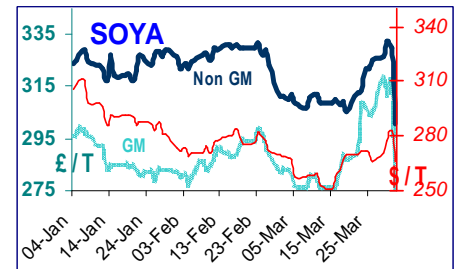
firming UK house prices – but will they continue firm? The weight of the Greek debt, despite declarations of support from Germany and France, continues to weigh on the Euro, which is weakening against major currencies.

Has the USDA done it again? This month's USDA report was released mid-week revealing yet more bearish data than was expected, and its impact can be seen on the accompanying commodity graphs; sending soya much weaker, and reversing the recent rising trend on wheat. However, maybe it was just bringing sanity to the market, as clearly there is plenty of everything. The UK has a reasonable supply of 2009 harvest wheat still to export, but there is even more in the EU, and we are facing a large harvest.

The UK wheat market lifted at the start of the week, continuing with the trend since early March, but came off a little following the USDA data, ending the week slightly off the highs. UK wheat does seem to have more support than EU wheat, so may stay relatively firm. New crop November prices remain at a slight premium to spot prices, reflecting the anticipated impact of the higher demand in new crop positions from Bio-Fuel plants.

Brent crude oil futures lifted to their highs for the year during the week, rising 3% on improving sentiment about the global economic outlook. The higher the price of crude oil, the more the Bio-Fuel plants can pay for wheat.

UK soya prices continued to increase until the release of the USDA data, fuelled in part by the usual seasonal strikes in South America. Also the predictably tight UK supplies of soya have added to the premium pricing. Towards the end of the week, the Argentinean stevedores strikes stopped, which has allowed exporting to continue, well at least until the next strike there. The Brazilians are nearly 80% through their harvests, and whilst it is expected to push



the envelope of record crops, the naysayers are already trying to manage falling prices, by suggesting that it is not that big. We will have to wait for official data before we really know!

The mayor of Mogliano, in Italy is campaigning to alert his locals to the growing number of prostitutes, some of whom are actually transsexuals who line his streets at night. He added that some motorists were having accidents after being distracted by scantily-dressed hookers. To alert the unwary, this helpful sign has been um, er *designed!*



Regards

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