Chickpeas

The Chickpea market has taken a softer tone as we get closer to harvest. (Del Brisbane $815/mt Oct to Nov & Del Downs $795/mt). The cash market jumped $20/mt overnight after hitting $795/mt Del/Bris. The jump in price was due to our $AUD dropping 2c on the back of Chinese RMB being revalued 2% lower against the Greenback.
The USD$ price for Chickpeas traded to the sub-continent have dropped dramatically in the past few months. The AUD$ has dropped around 12c or 16% since January 84c to 72c (which should support the market). The chickpea cash price has also dropped around $90/mt to it's lows earlier this week or 12%. This fall in USD$ pricing is has been a gradual move that is slowly taking the heat out of the market. In a market that is moving lower traders will be less likely to take long positions instead selling short and buying chickpeas later at lower prices.

- Don't forget these prices are still historically in the top %5.
- Be careful of your counterparty in this market! (A big priced contract may not be worth the paper it is printed on if you get the counterparty wrong).

Wheat

The wheat market is looking a bit slow at the moment with very little interest in buying from the trade and the consumers and inversely very little interest in selling from the grower. This market still seems to have a bearish tone and as a result has dropped over $50 from the highs in the CW NSW and $30 in the Downs. We are now sitting at a cross roads in the market. The 2 directions we can go are as follow:

- High Prices: The weather starts to get dry (The El nino arrives!) from now to harvest and the potential size of the crop is halved. At this stage most areas have a big wheat plant that will need moisture to survive. If that moisture is not there the crop yield could fall of a cliffs edge.
- Low Prices: The September break comes and the crop yield potential doubles. We will see much lower prices and both domestic and export basis levels drop.

It seems international markets are not very supportive with a glut of stocks and wheat being harvested or about to be in the Northern Hemisphere.

Canola

Canola prices remain good at around $550/mt delivered Newcastle probable no need to panic as market seems to have support.

Faba beans

The Faba market remains steady with very little demand coming through to traders. It seems that production incentives in Europe (increasing crop size) and Monitory concerns in Egypt has held back demand. We are still seeing Fix prices at $450/mt and area contracts $415/mt.
We also have some shipping concerns for Fabas as they will have to compete for packing space while chickpeas take preference in the packing que due to the higher price and demand.

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