



Taking the guesswork out of grain marketing



Managing Grain
Market Volatility

CRM
AGRICOMMODITIES

19th December 2017

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Managing Grain
Market Volatility

AGENDA

1

Current Outlook

2

Improving decision making

3

Removing the guess work



Managing Grain
Market Volatility

VOLATILITY



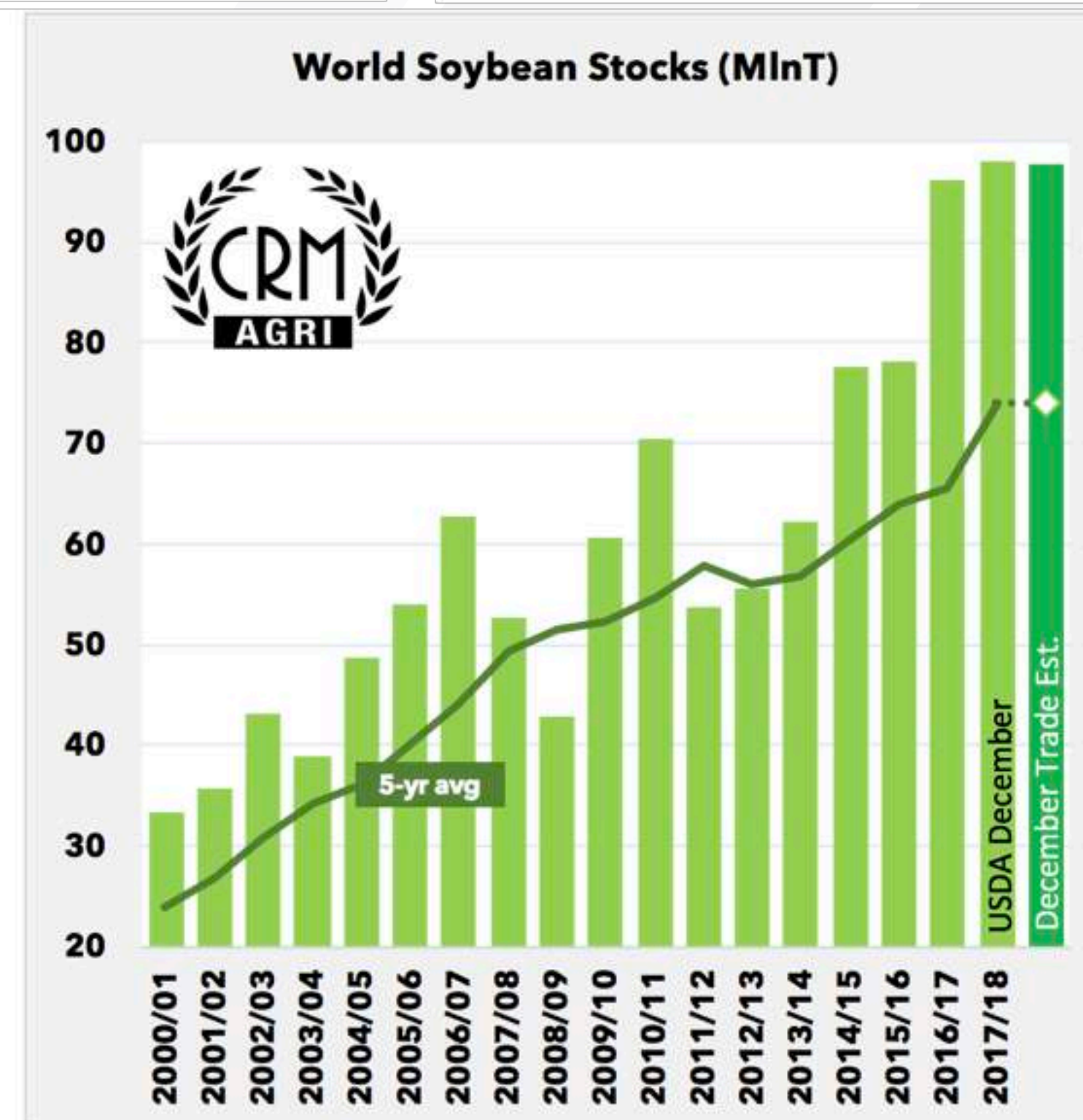
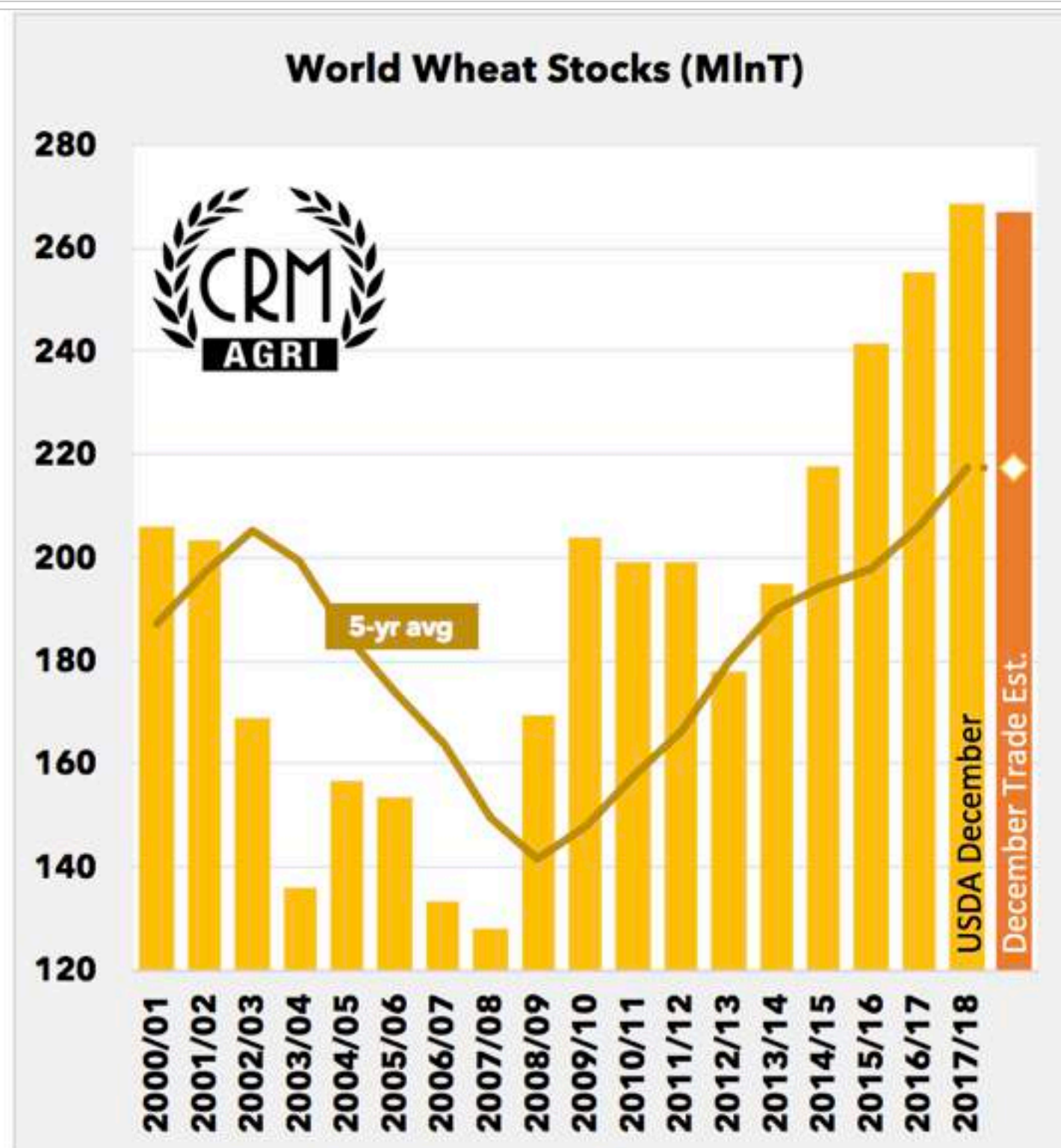
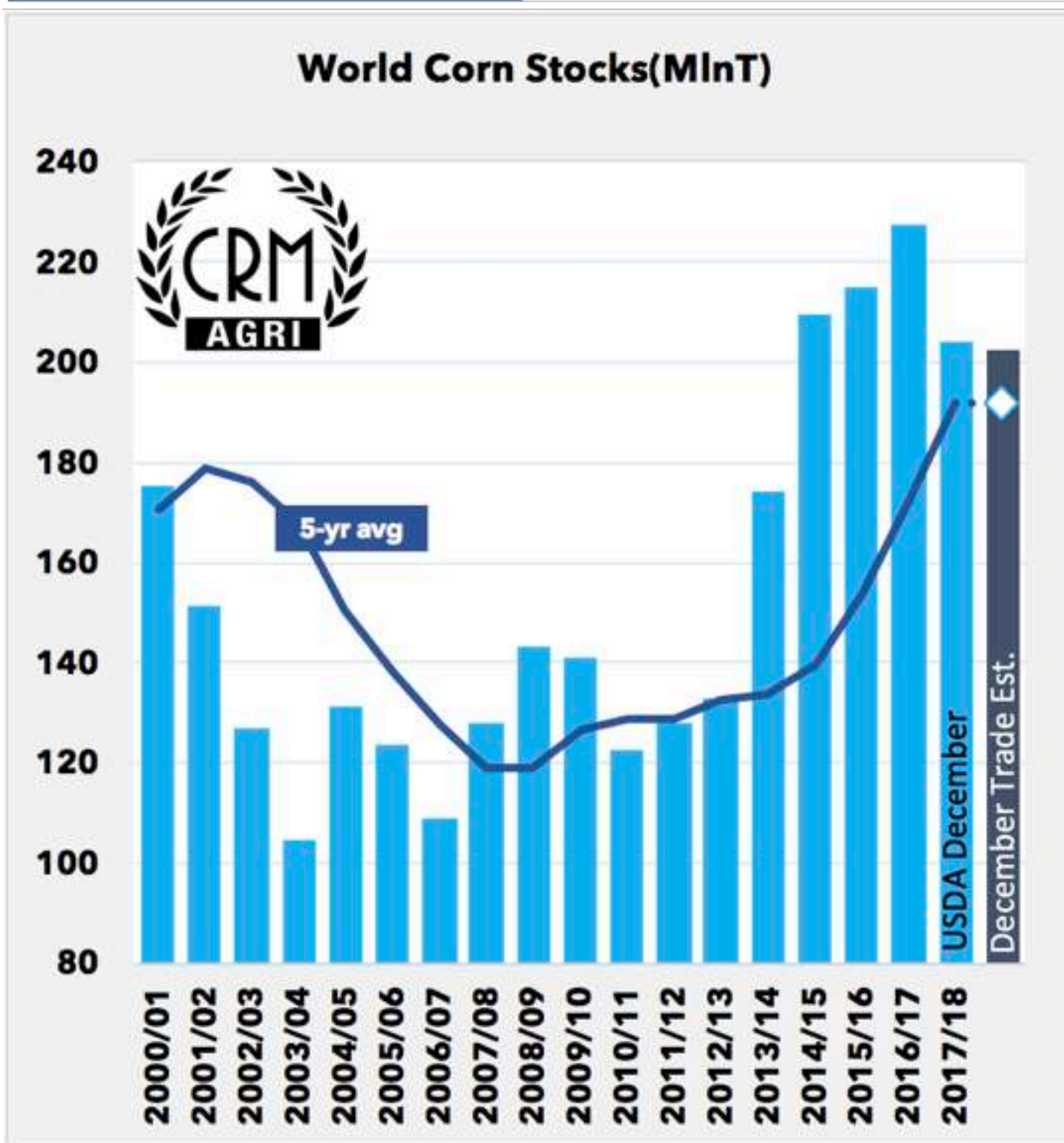
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How can this be managed
CRM AgriCommodities



MARKET BACKDROP

2017/18	USDA Dec 2017	Avg trade estimate	Range of est.	USDA Nov 2017	Dec 2017 vs Estimate	Monthly change
Corn	204.08	202.72	195.70 - 205.00	203.86	0.67%	0.11%
Soybeans	98.32	97.82	95.20 - 99.00	97.90	0.51%	0.43%
Wheat	268.42	267.07	264.00 - 270.00	267.53	0.51%	0.33%



Source: USDA, Reuters, CRM AgriCommodities.

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info@crm-group.co.uk



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Market Volatility

MARKET OUTLOOK

-  Planting
-  Heading
-  Harvest

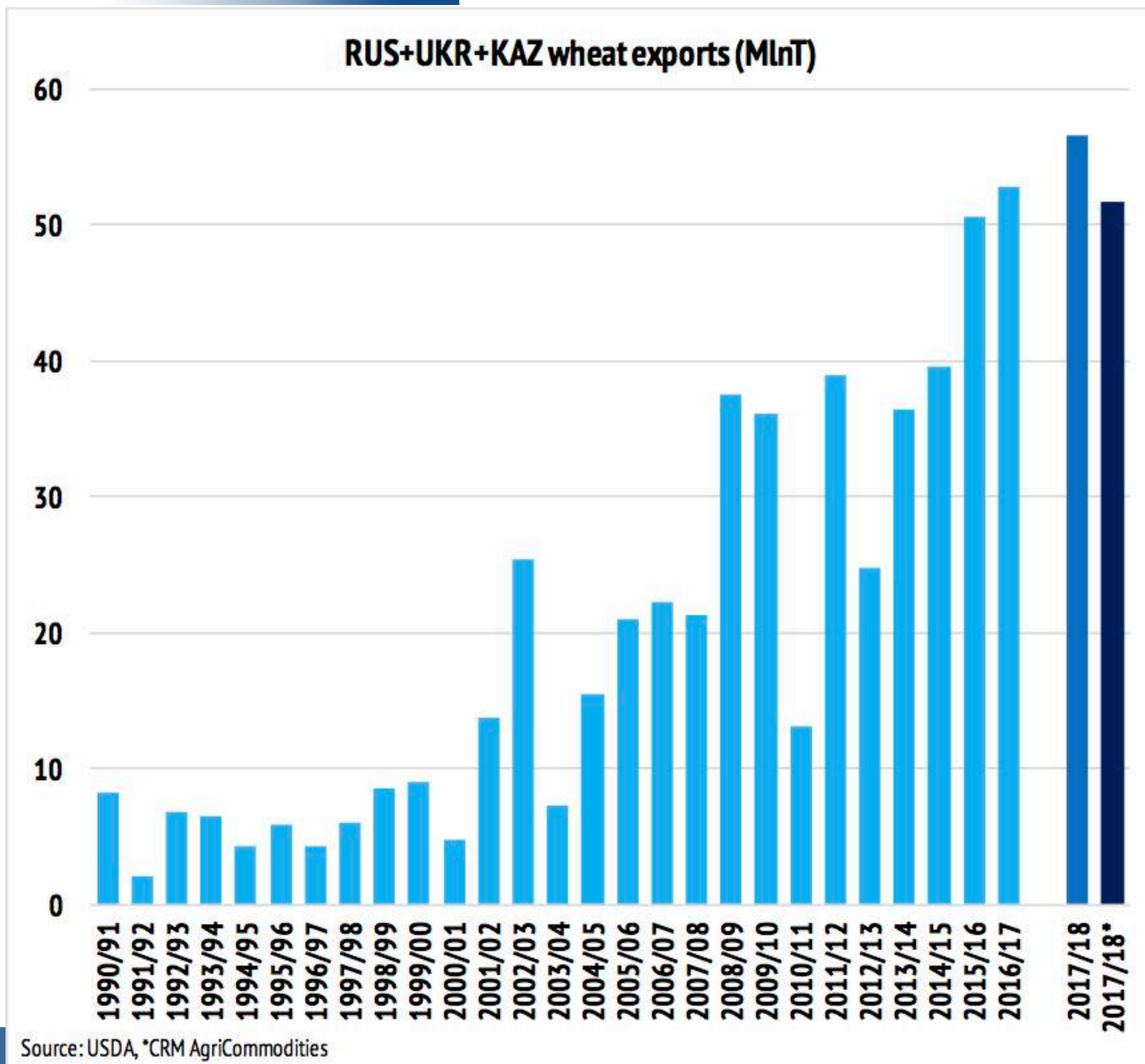
- Current Condition legend
-  Excellent
 -  Favourable
 -  Watch
 -  Poor
 -  Very Poor



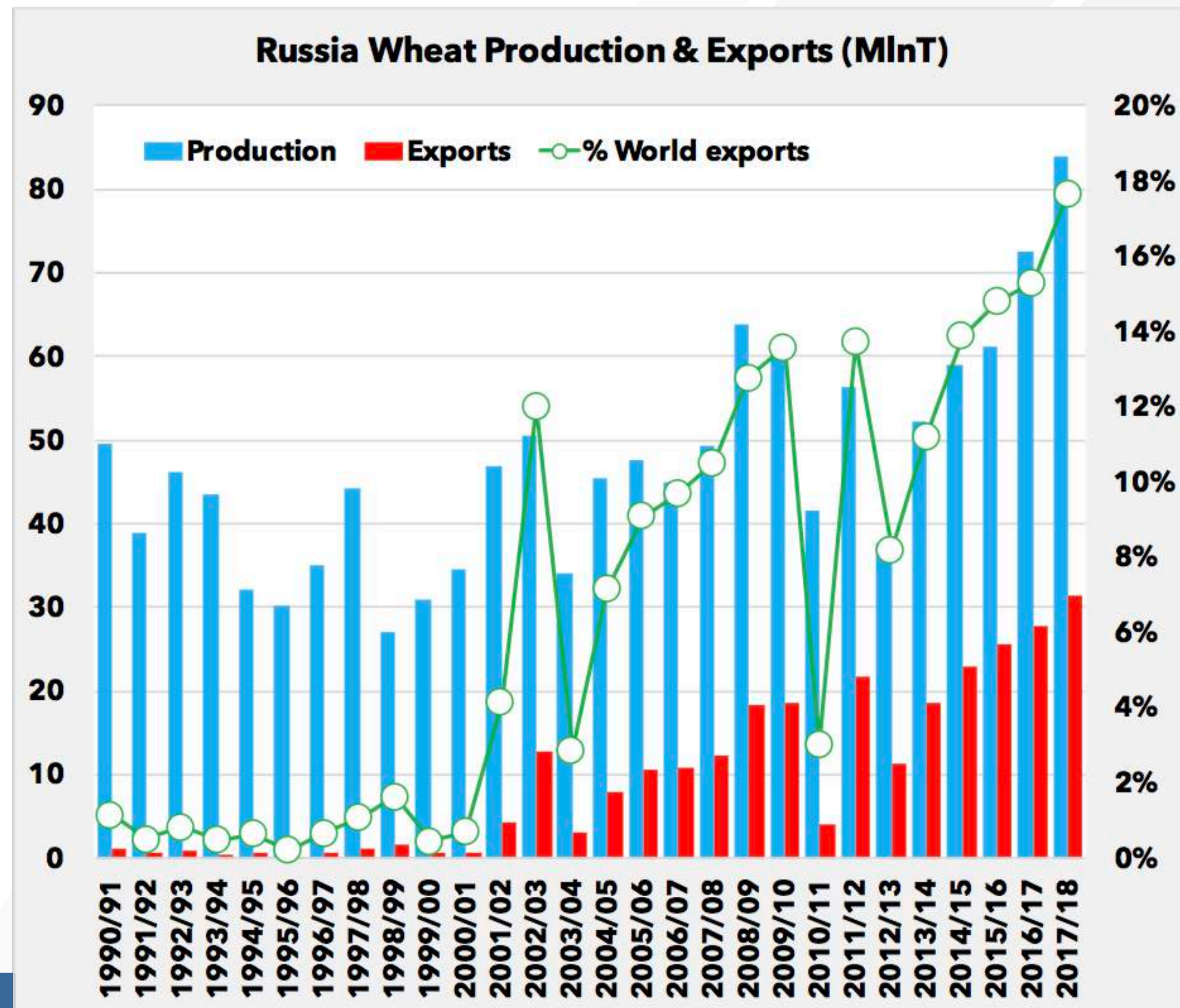
Source: USDA, CRM AgriCommodities | www.crmagri.co.uk | @CRMagri



SO WHY ARE PRICES STILL 'FALLING'



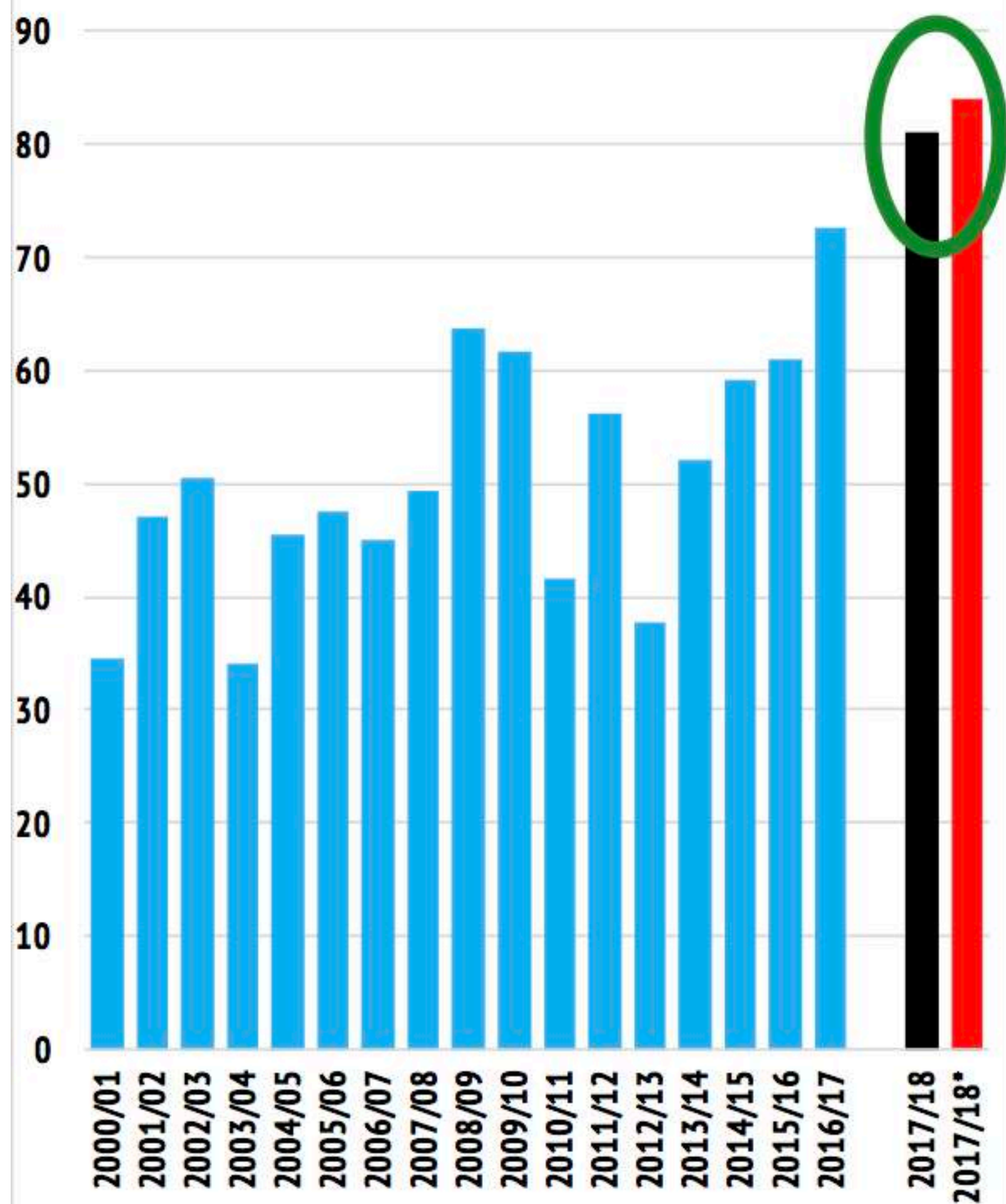
Source: USDA, *CRM AgriCommodities



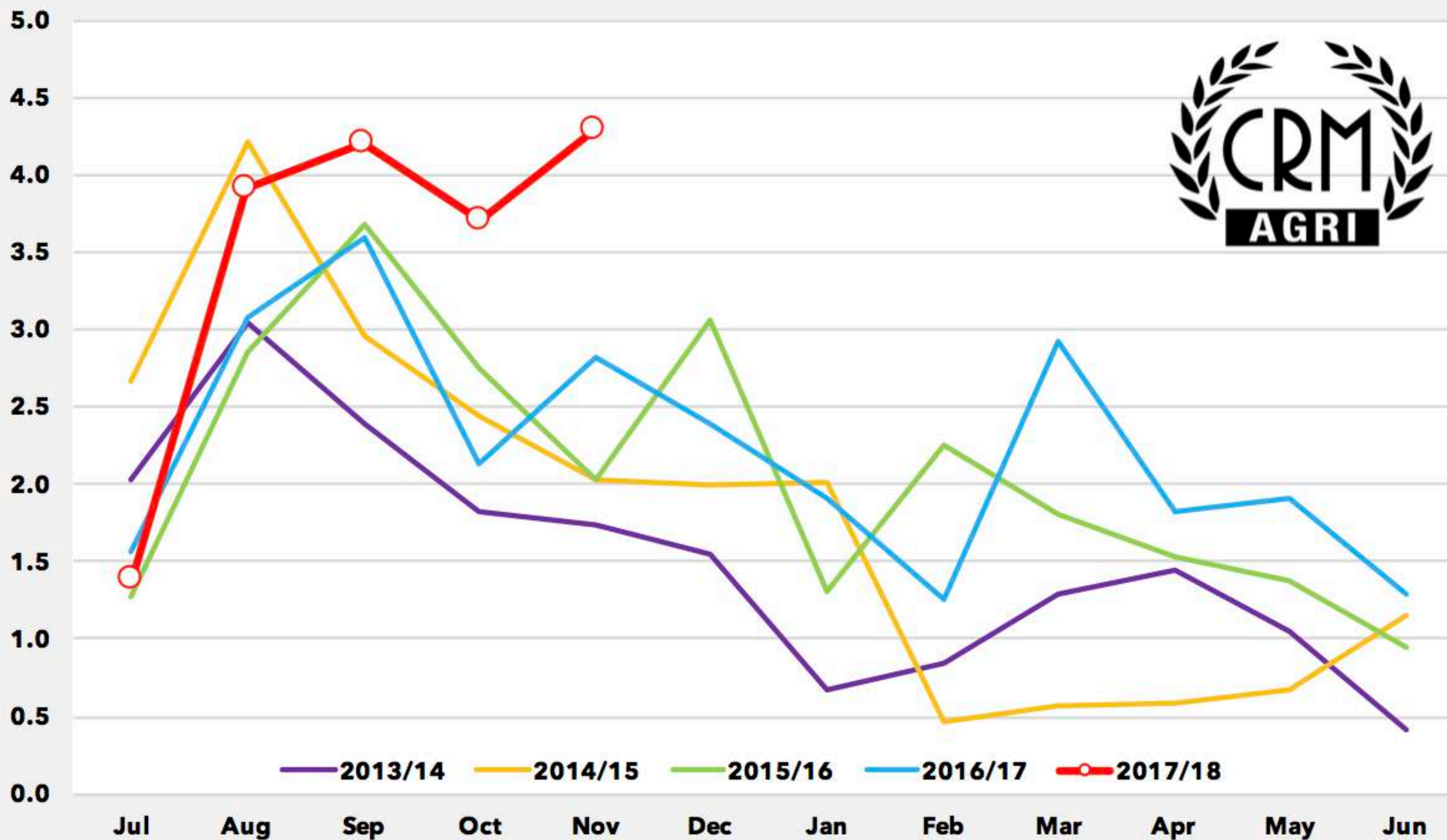


SO WHY ARE PRICES STILL 'FALLING'

RUS wheat production (MlnT)



Monthly Russia Wheat Exports (MMT)

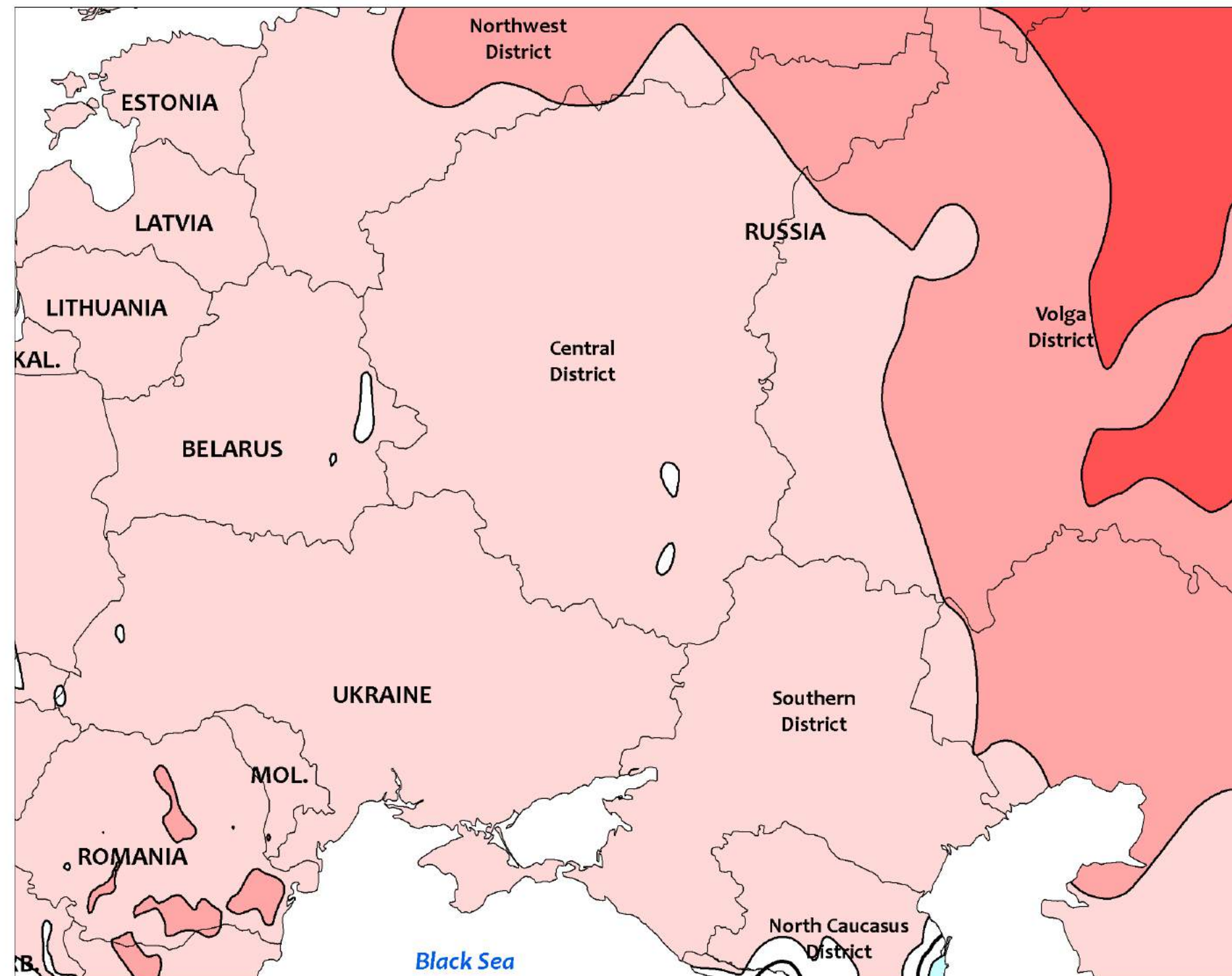


Source: Customs, CRM AgriCommodities



RUSSIA WARMER, SO STILL STRONG EXPORTS

WESTERN FSU
Temperature Anomaly (C)
November 2017



CLIMATE PREDICTION CENTER, NOAA
Computer generated contours
Based on preliminary data



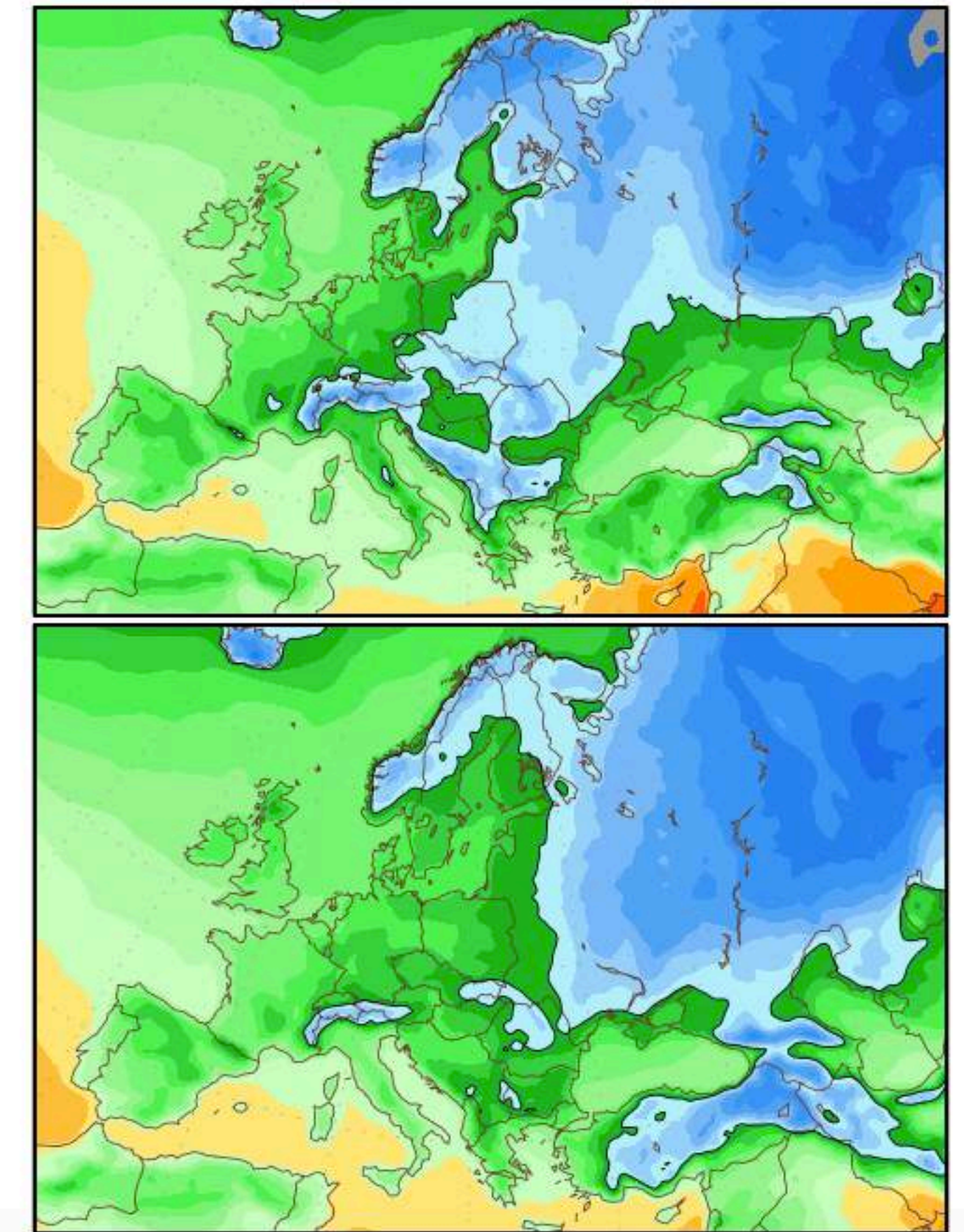
Mean Surface Temperature (°C)
during the period:

Sun, 17 DEC 2017 at 00Z
-to-
Mon, 25 DEC 2017 at 00Z

Mon, 25 DEC 2017 at 00Z
-to-
Tue, 02 JAN 2018 at 00Z



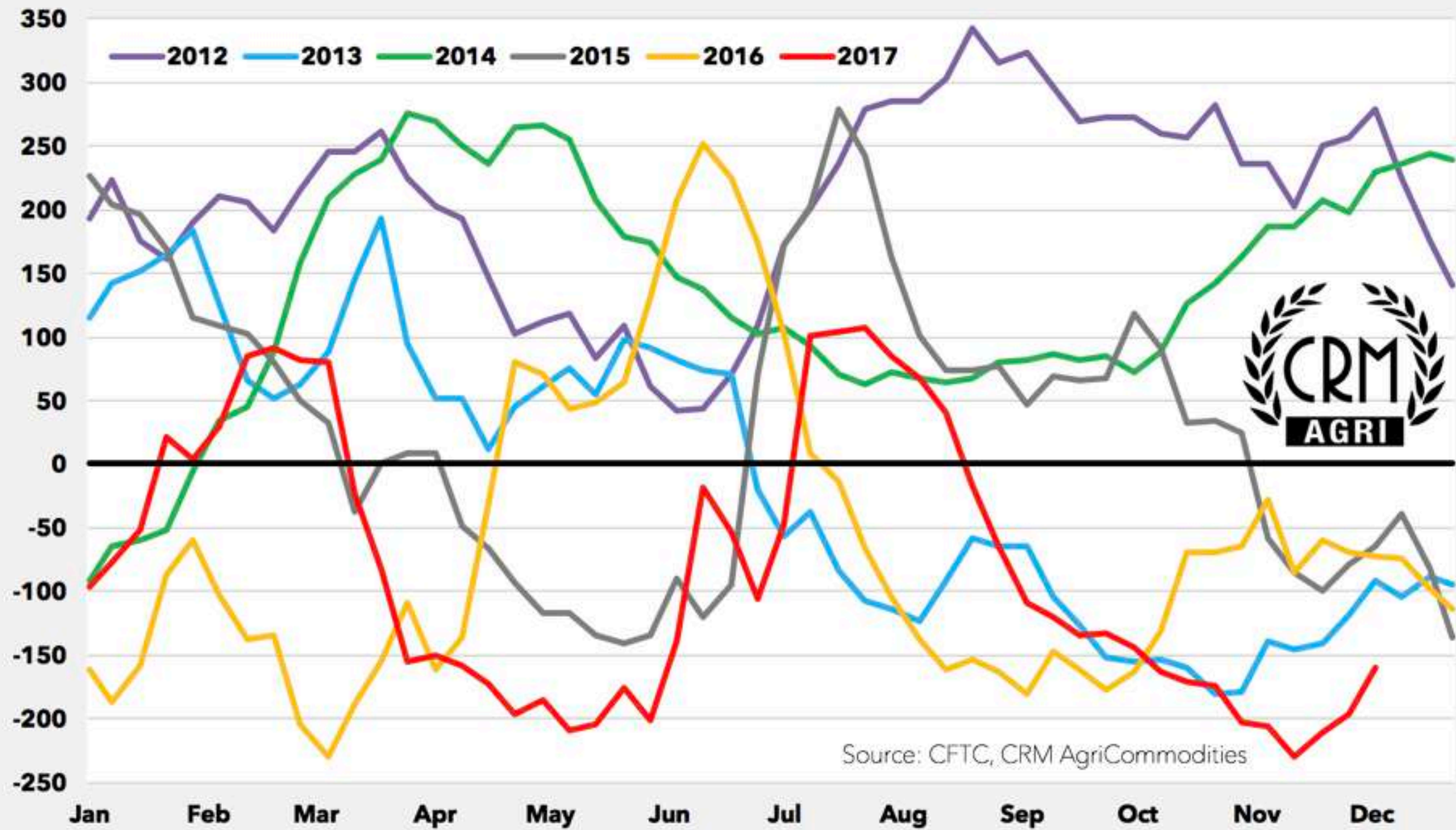
Temperature Forecasts





SO WHY ARE PRICES STILL 'FALLING'

Managed Money Net position CBOT Corn
[Futures + Options, in K contracts]

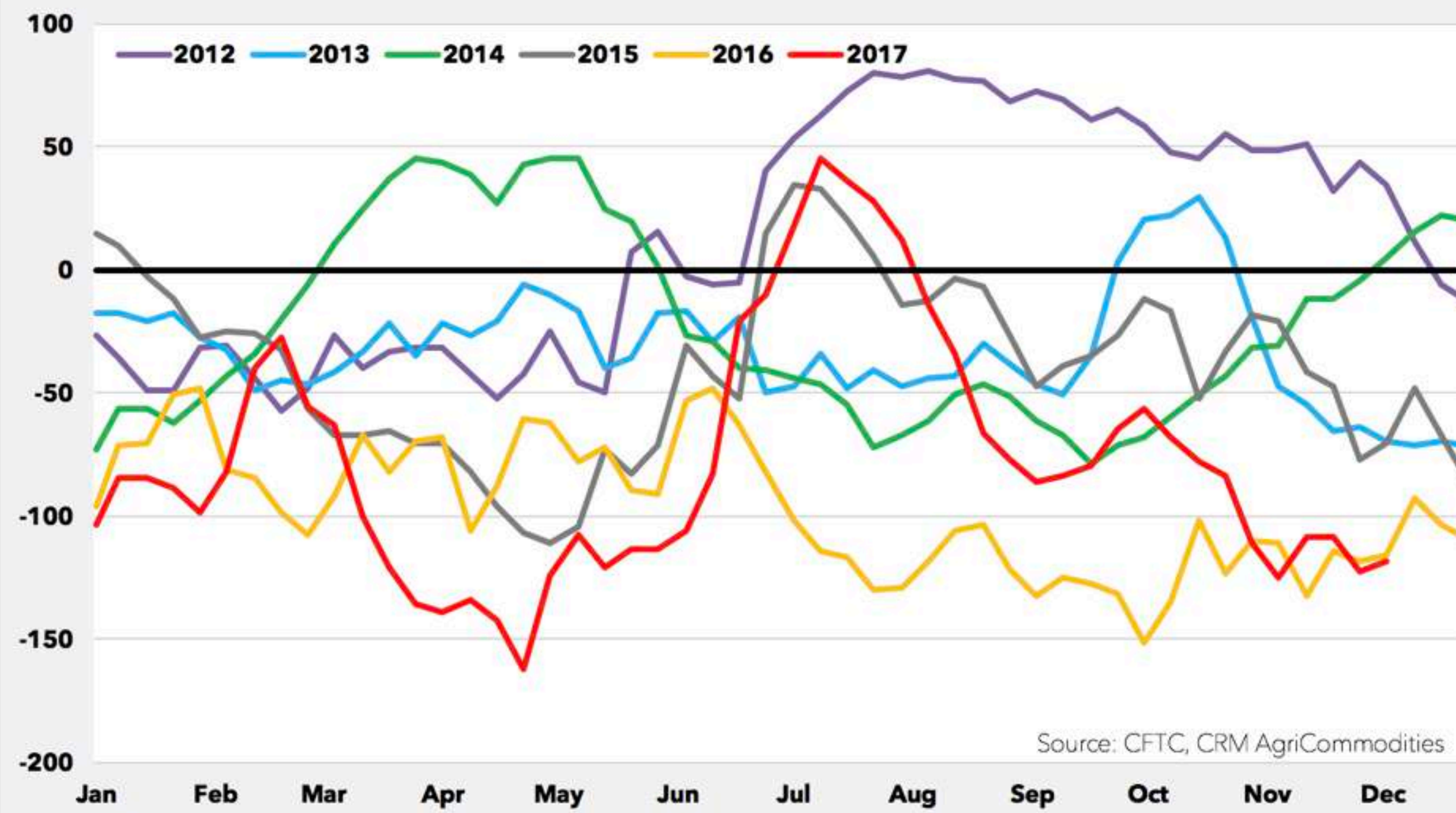


Source: CFTC, CRM AgriCommodities

Date	Long	Short	Net	Record	Date	# Lots
05/12/2017	228484	389003	-160519	Net Long	28/09/2010	429,189
28/11/2017	214942	411705	-196763	Net Short	14/11/2017	-230,556
06/12/2016	169279	241871	-72592			

in Lots | Source: CFTC, CRM AgriCommodities

Managed Money Net position CBOT Wheat
[Futures + Options, in K contracts]



Source: CFTC, CRM AgriCommodities

Date	Long	Short	Net	Record	Date	# lots
05/12/2017	93671	212452	-118781	Net Long	07/08/2012	80827
28/11/2017	93771	216545	-122774	Net Short	25/04/2017	-162327
06/12/2016	79575	195495	-115920			

Source: CFTC, CRM AgriCommodities



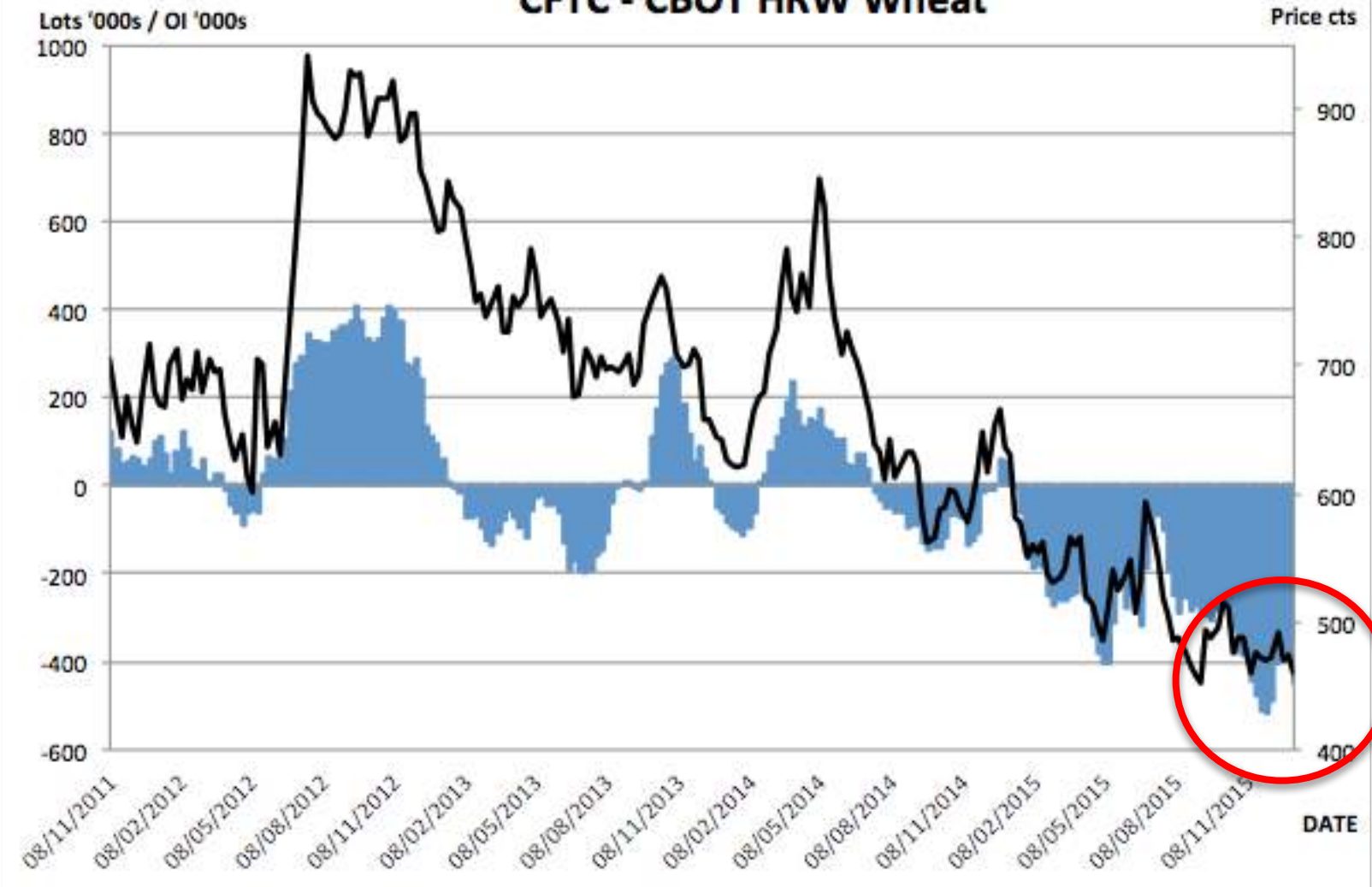
Managing Grain
Market Volatility

Understanding Funds

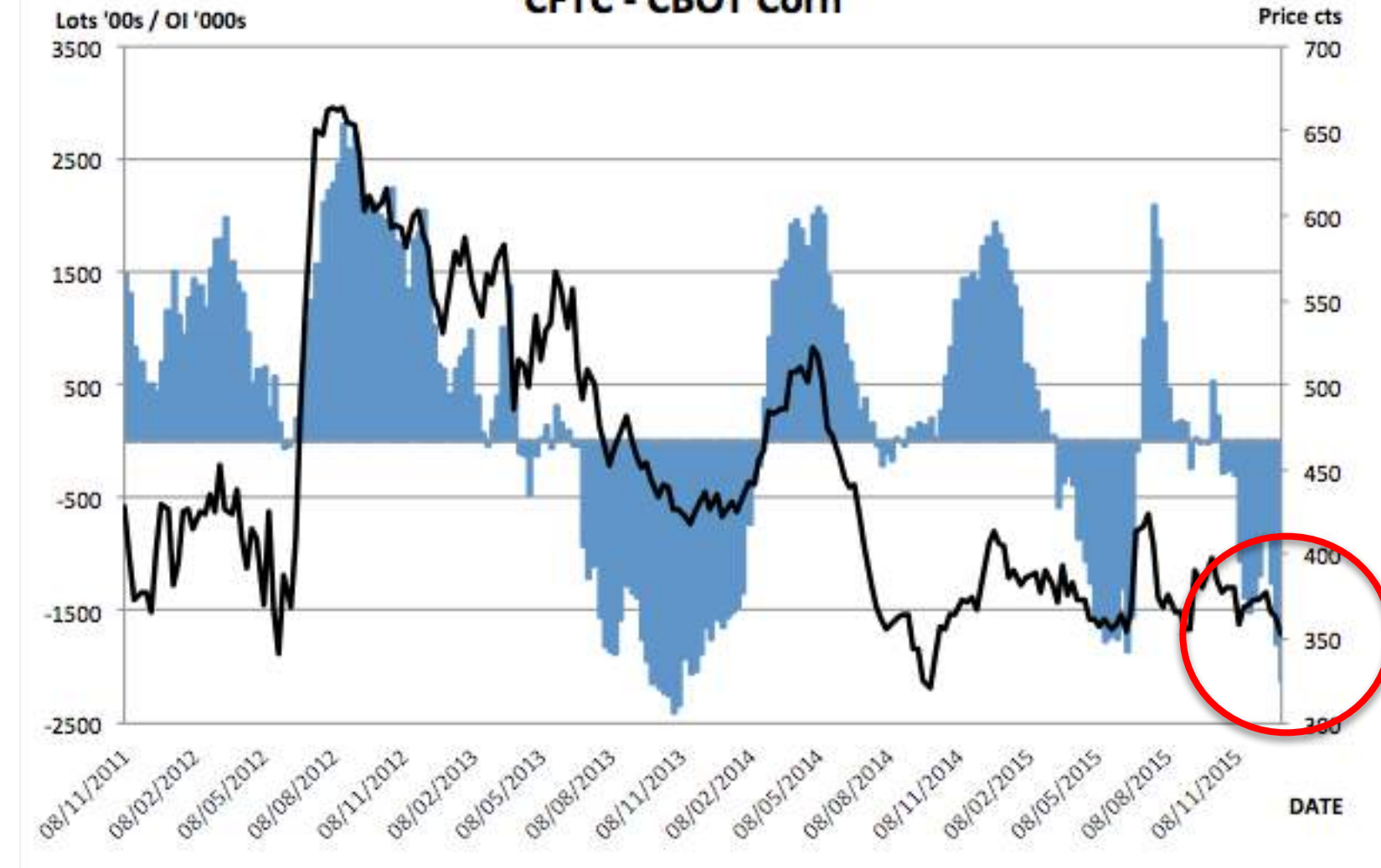
CFTC - CBOT SRW Wheat



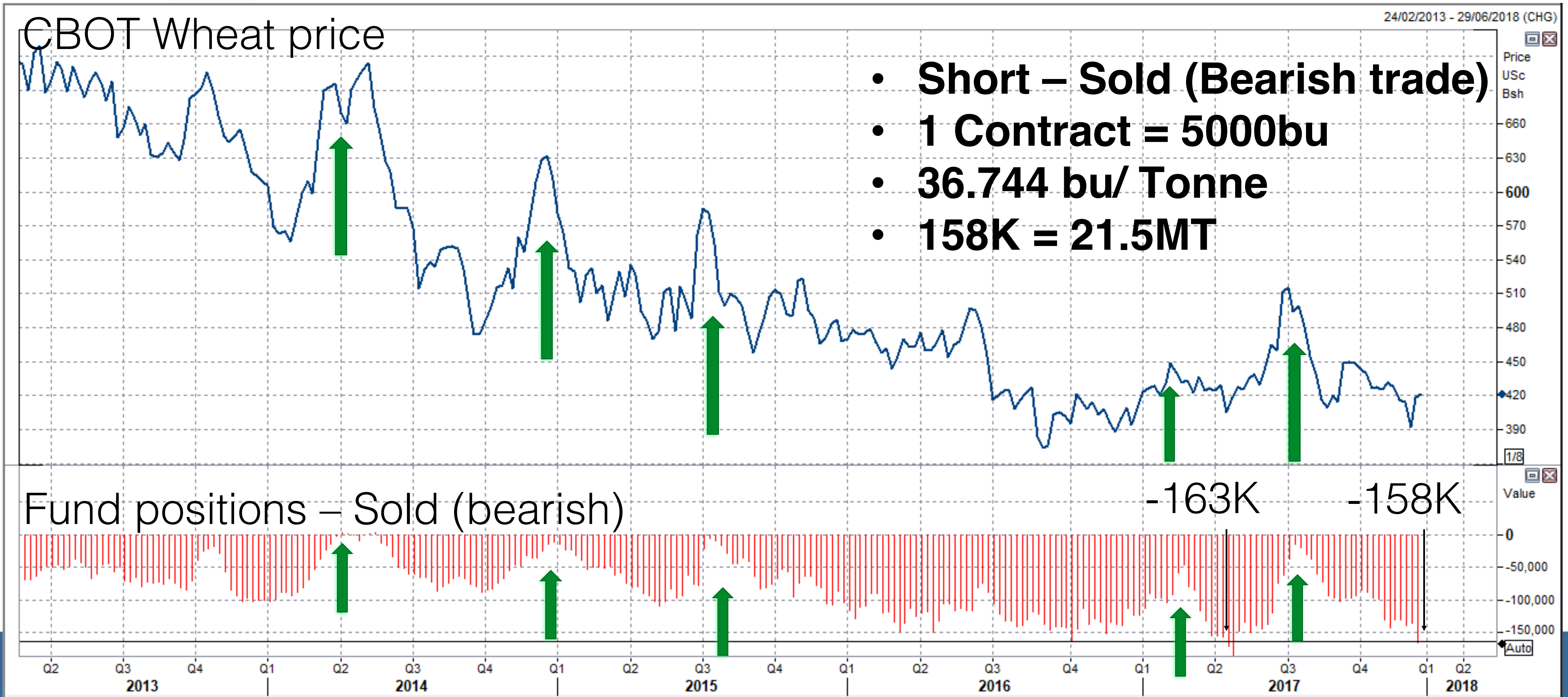
CFTC - CBOT HRW Wheat



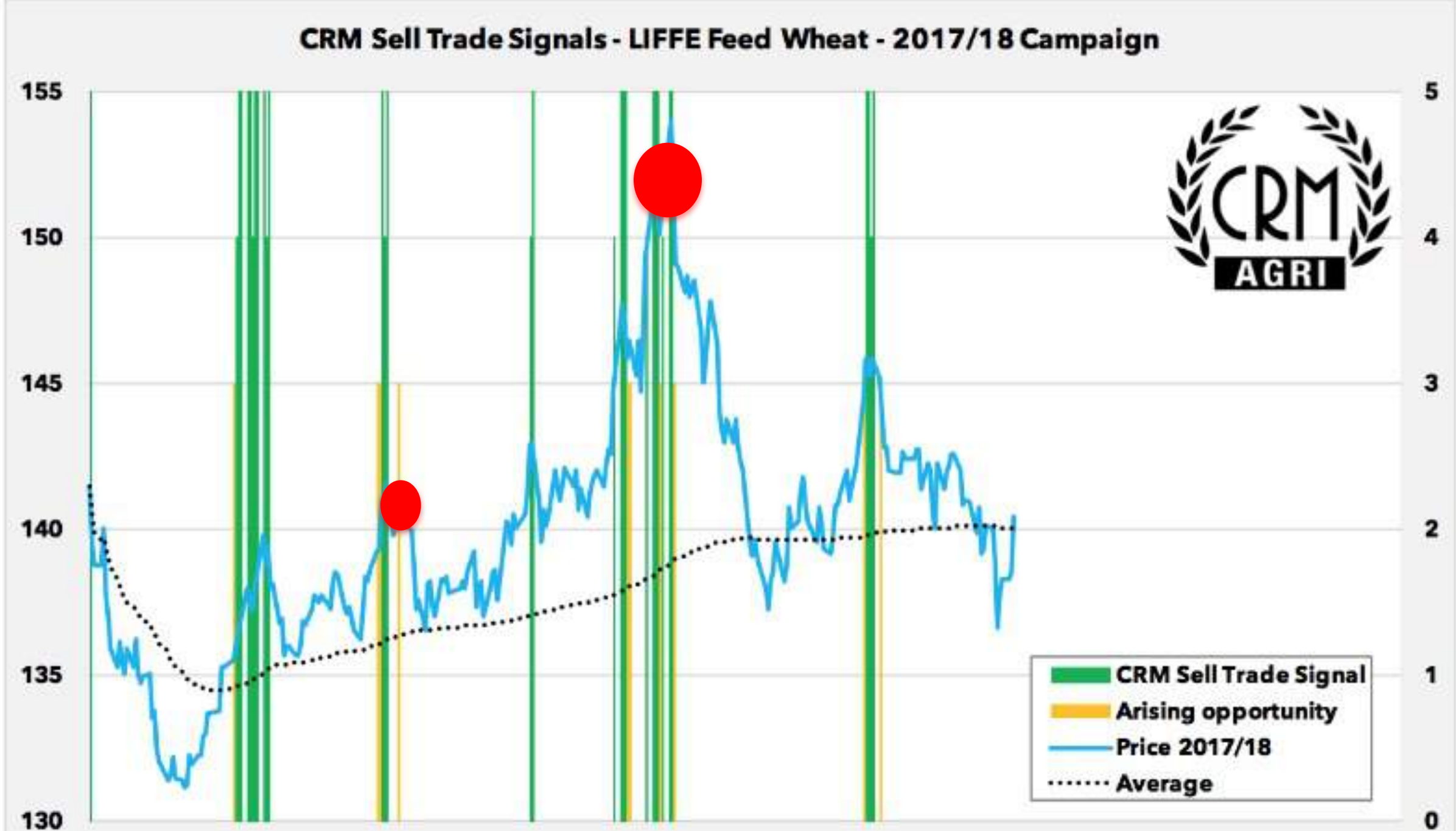
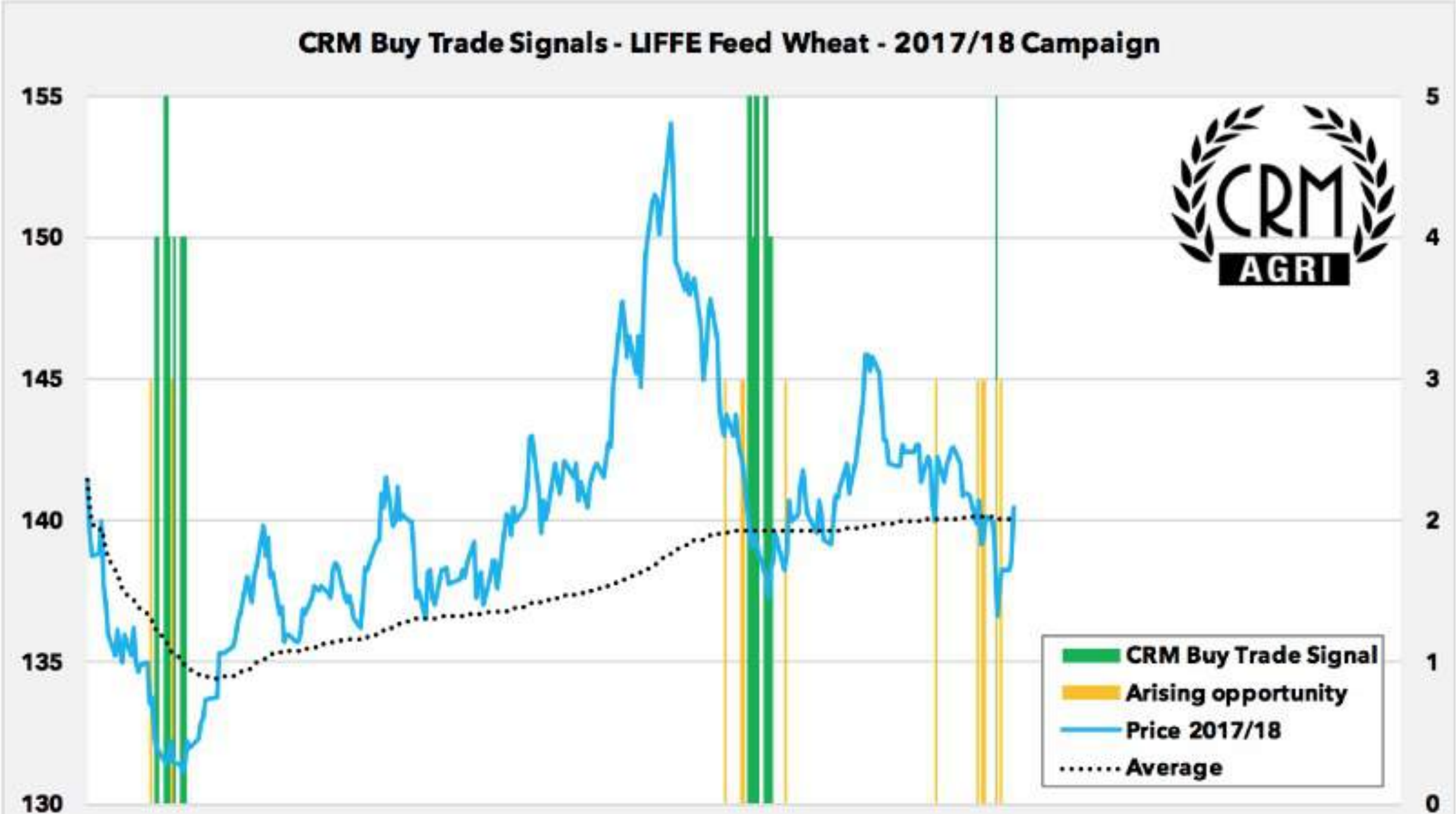
CFTC - CBOT Corn



Wheat Funds vs Price

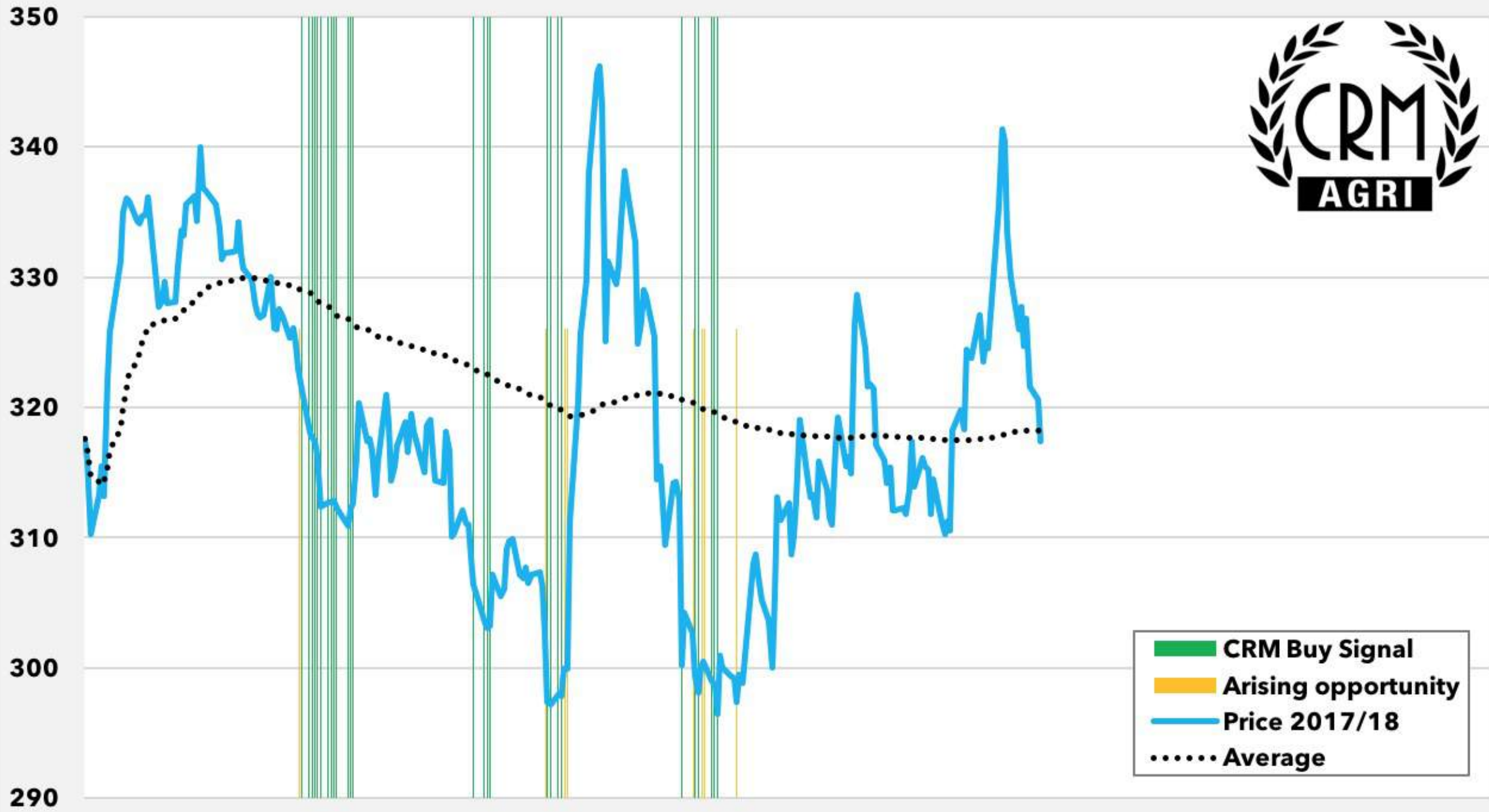


CRM Agri Trading Model

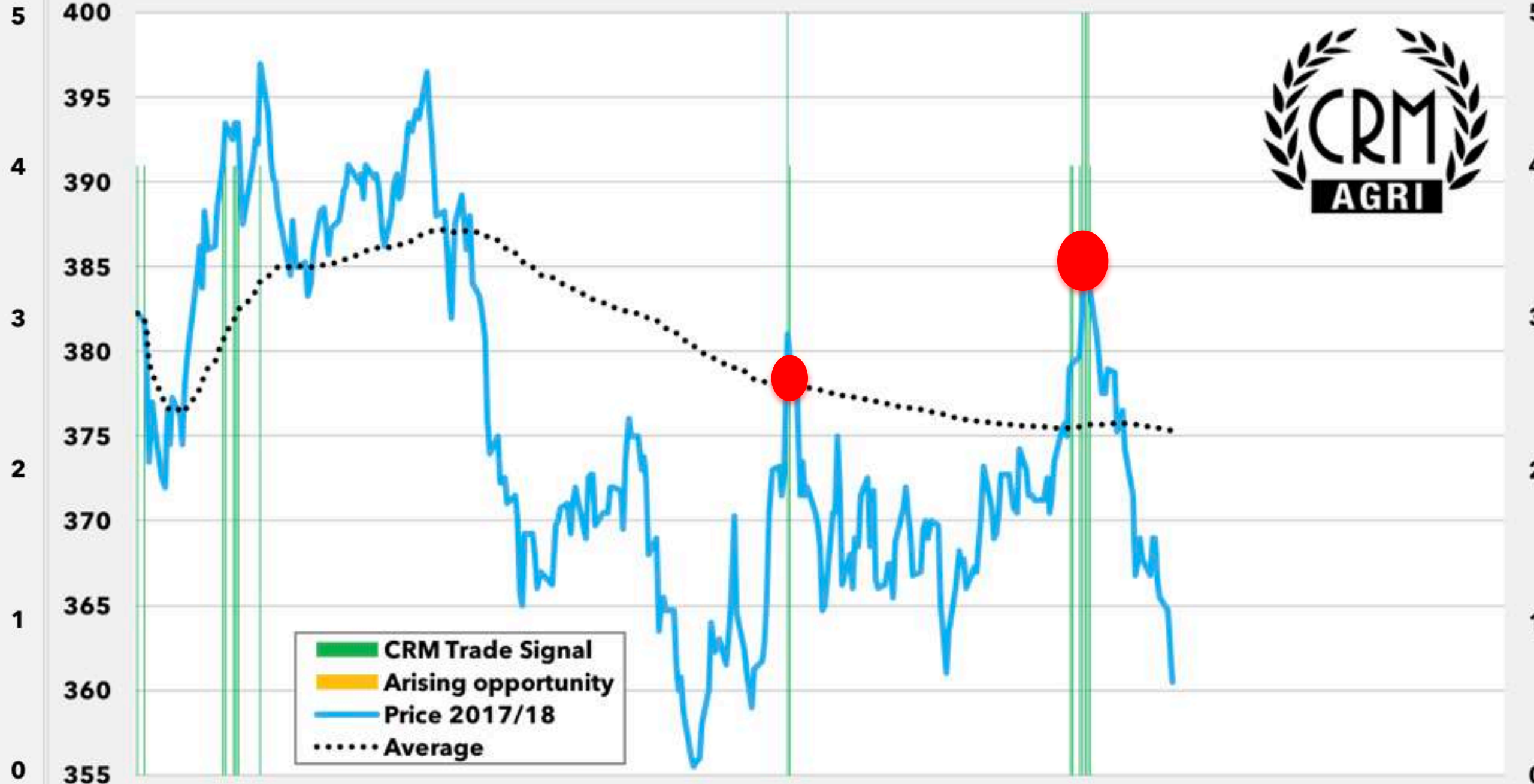


CRM Agri Trading Model

CRM Buy Signals - CBOT Soymeal - 2017/18 Campaign



CRM Sell Signal Algo - EURONEXT OSR - 2017/18 Campaign



Price vs Average

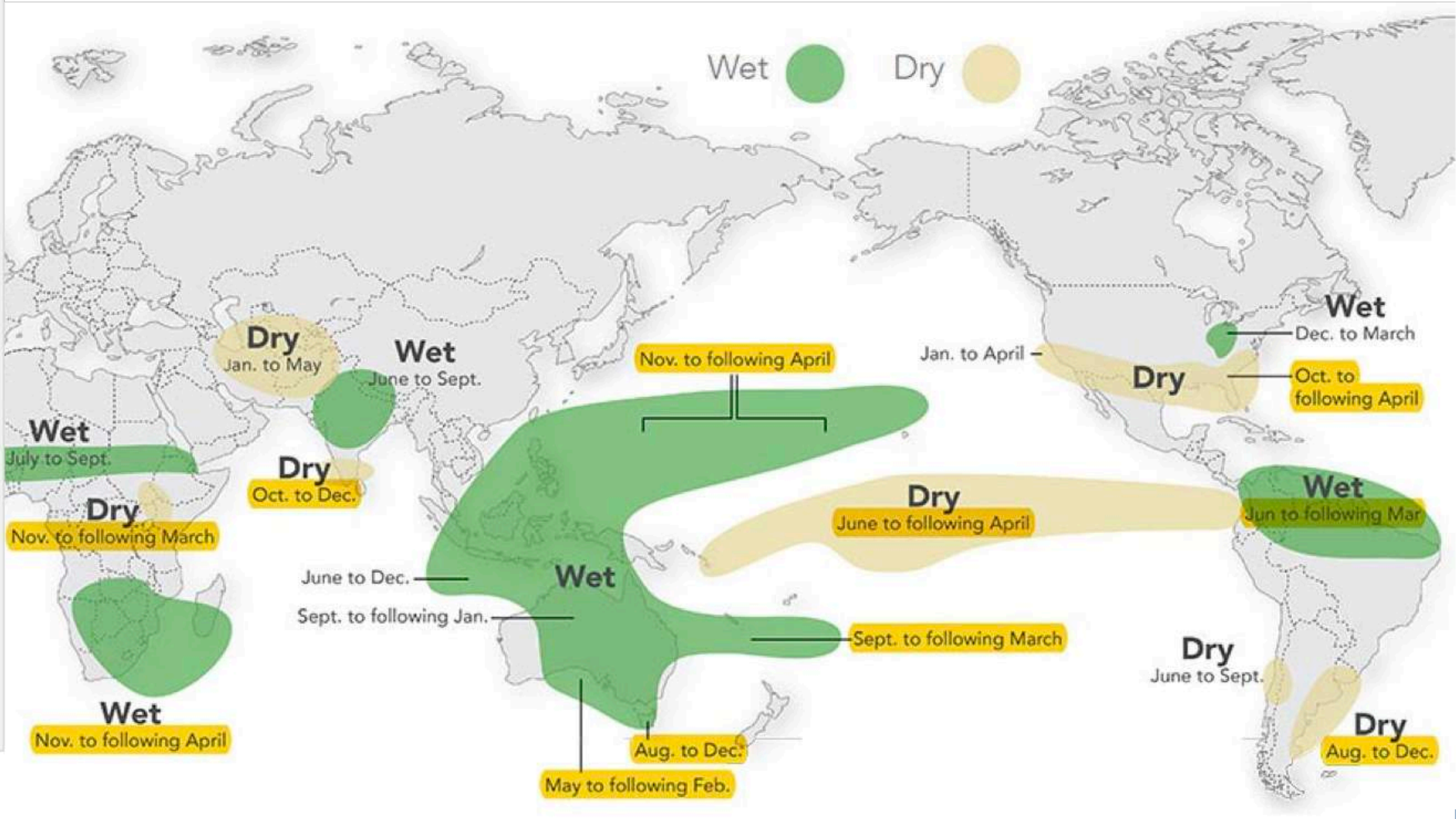
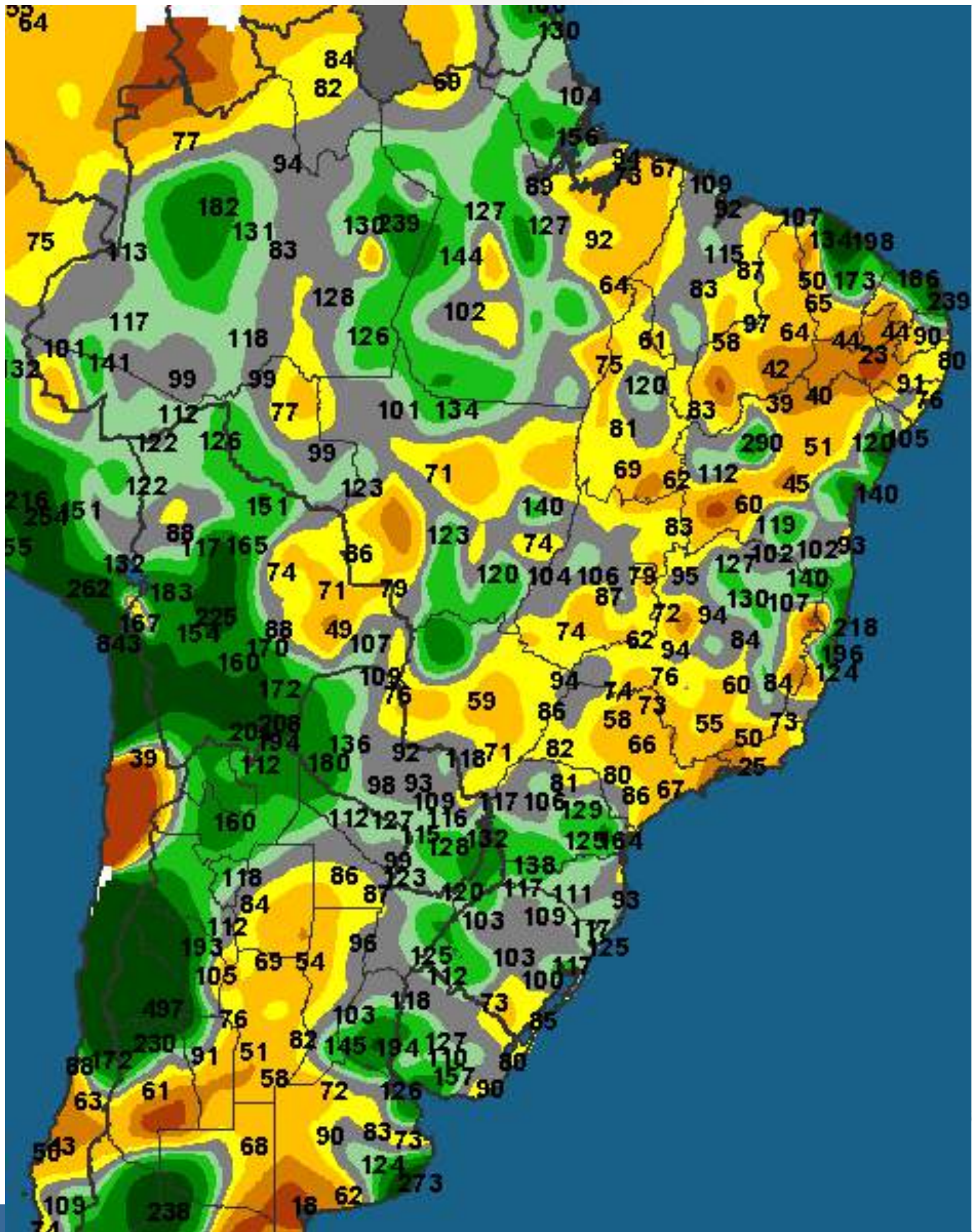


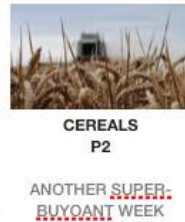
Price vs Average



What to watch...La Nina

Dec 1-31 Percent of Normal Rainfall:





Buyers edition

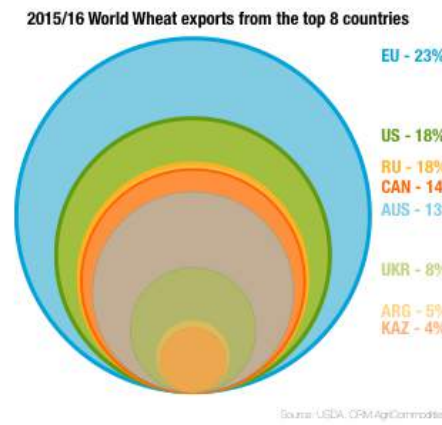
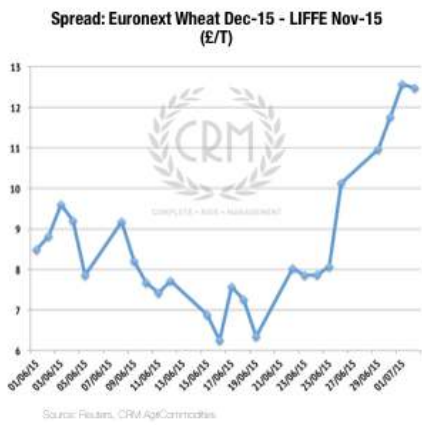
CRM AgriCommodities MARKET & STRATEGIC REVIEW

Further concerns for major exporters of wheat

The 2015/16 wheat harvest has finally made a start across the Northern Hemisphere, first in the US and now in EU, not without uncertainties for both yields and quality and consequently on export potential.

- US winter wheat has experienced the wettest conditions since May [more than 300% of Normal in Oklahoma], consequently market operators have been concerned about the impact of the torrential rains. According to our local sources, generally the yields are simply average while the quality is not as bad as expected. However, the SRW area will remain wet for the next few days and rainfall could hamper further the crops. As of the end of last week, 38% of the US wheat was harvested compared to 42% last year and 46% on a 5-yr average.
- In Canada, the western part of the Prairies (Alberta and Saskatchewan), accounting for the vast majority of the Canadian crops; received about 50% of the normal precipitation, the continuing drought could lead to a 12MT shortfall in Canadian wheat exports according to local experts while the country accounts for 14% of global trade.
- Across the bread-basket area of Europe, already drought-stressed crops have once again been exposed to "boiling" temperatures this week [+40 in France; +30 in the UK and Eastern Europe] and various private analysts continued to revise their estimates lower, towards 140-142MT against the 150.7MT USDA's estimate.
- In the Black Sea: the potential remains good in Ukraine even if the first feedback tends to indicate that the quality would not be as good as expected while yield potential in Russia, particularly in the Central and Volga districts, could be lowered, therefore limiting the exportable surplus.

As concerns continued to grow for the global wheat harvest of major milling wheat exporting countries, premiums have strengthened since mid-June as highlighted below: the spread between Paris and London wheat has doubled since mid-June and it could widen further as the EU harvest has barely started while the UK fundamentals [level of carry-over stock, strong Sterling vs Euro] remain heavy.



Remove the guesswork

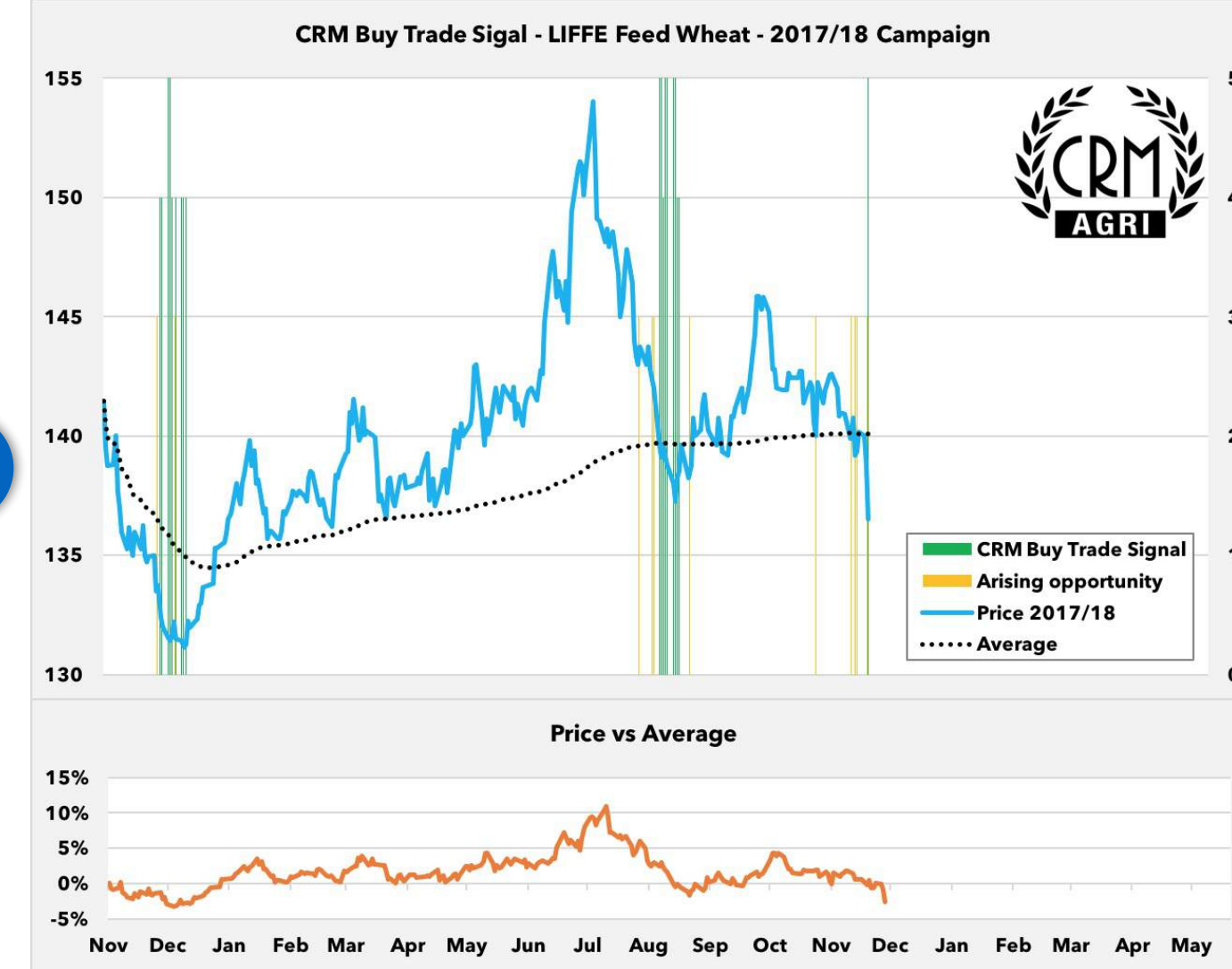
REPORTS - BUYERS & SELLERS

TRADING MODELS

- Market Analysis
- Bespoke Strategies
- 121/ group meetings
- Hotline consultancy
- Position management
- Charting/ Technical analysis

Transparency

MARKET ANALYSIS



2016/17 CRM Results

2016/17 Marketing campaign - Wheat (€/T)



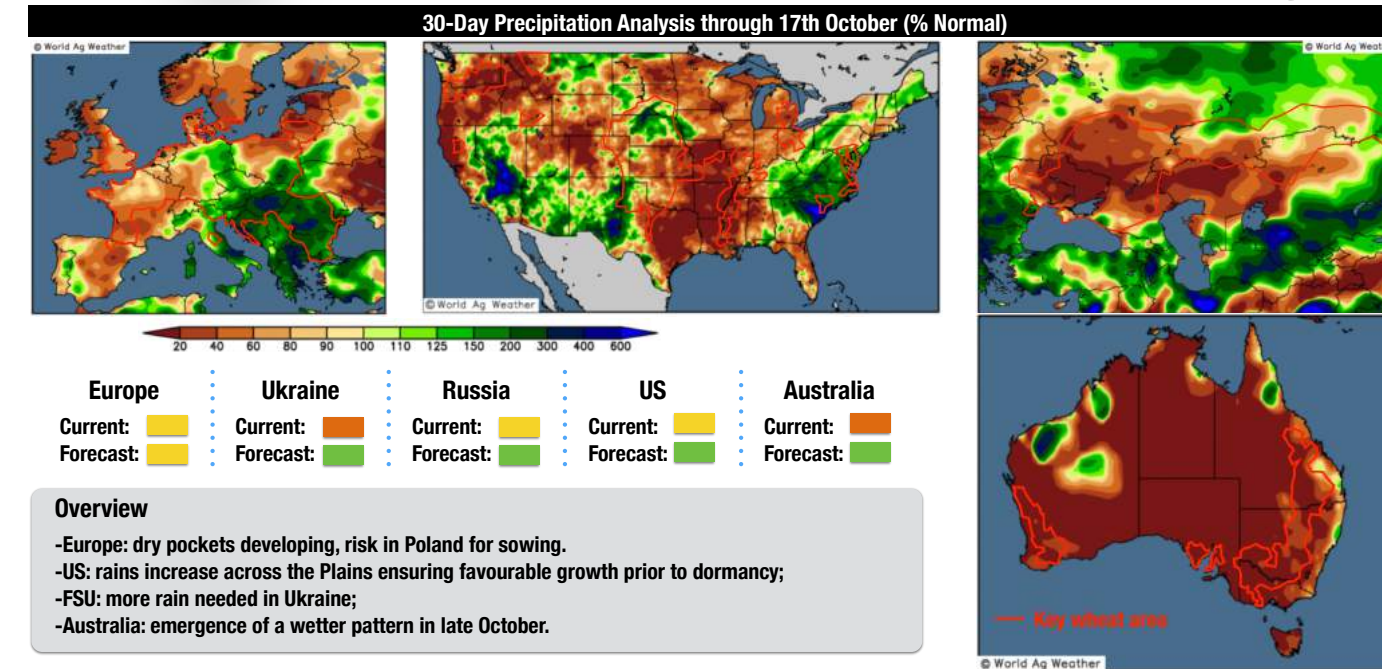
Market Statistics (based on LIFFE Futures prices less UK avg basis, €/T)

High: 145.00 // Top 1/3: 132.92
Low: 108.75 // Bottom 1/3: 120.83
Post Planting average: 125.81

CRM Performance

Average Feed Price: £130.12/T
+£4.30/T above the ex-farm Post plantings average

1.1 "Weather market" developing



CRM AgriCommodities Ltd

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Arrange a meeting

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analysis/ prices at
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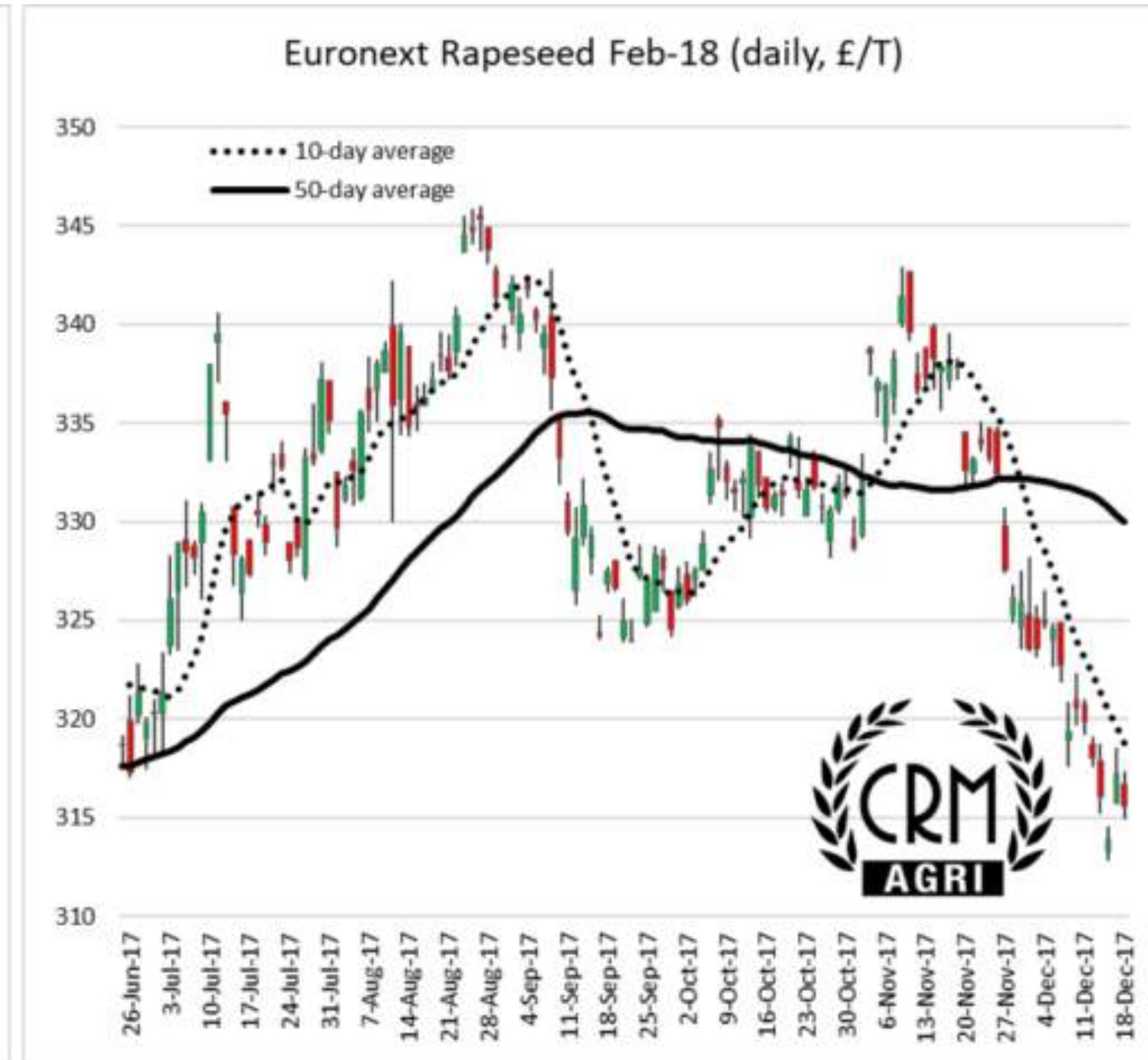
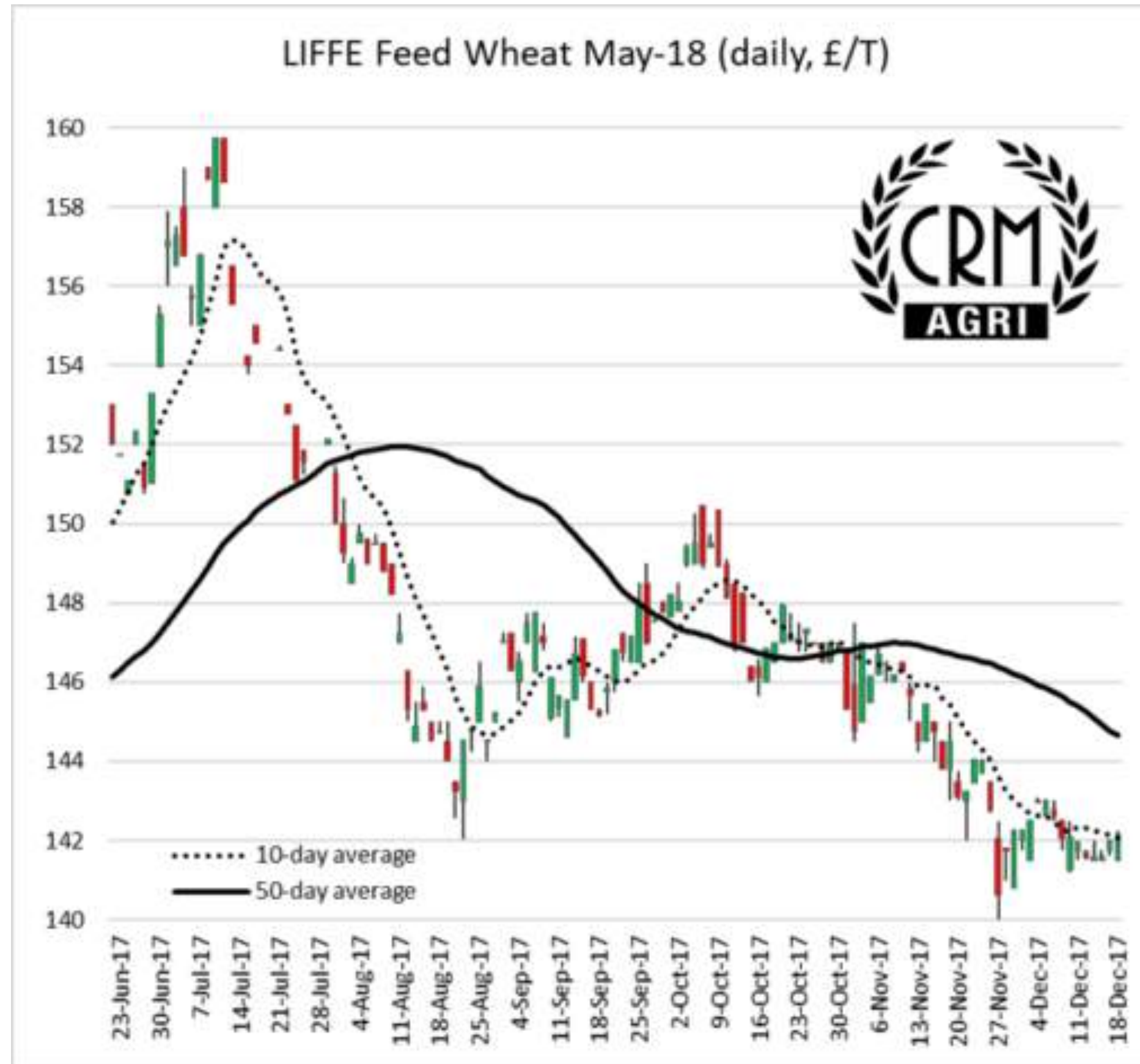


Email me:
jbolesworth@crm-group.co.uk

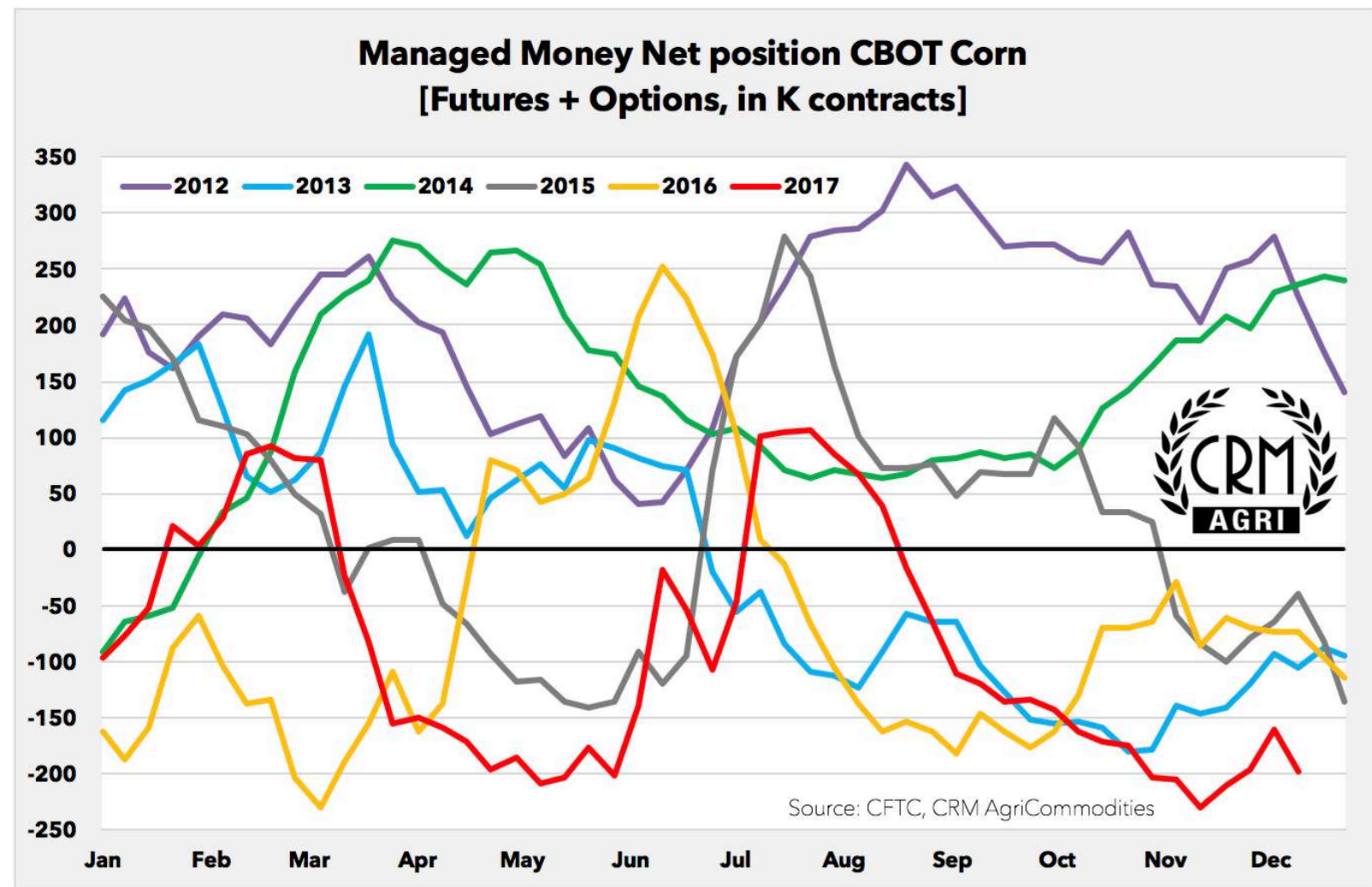


Call me :
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Appendix

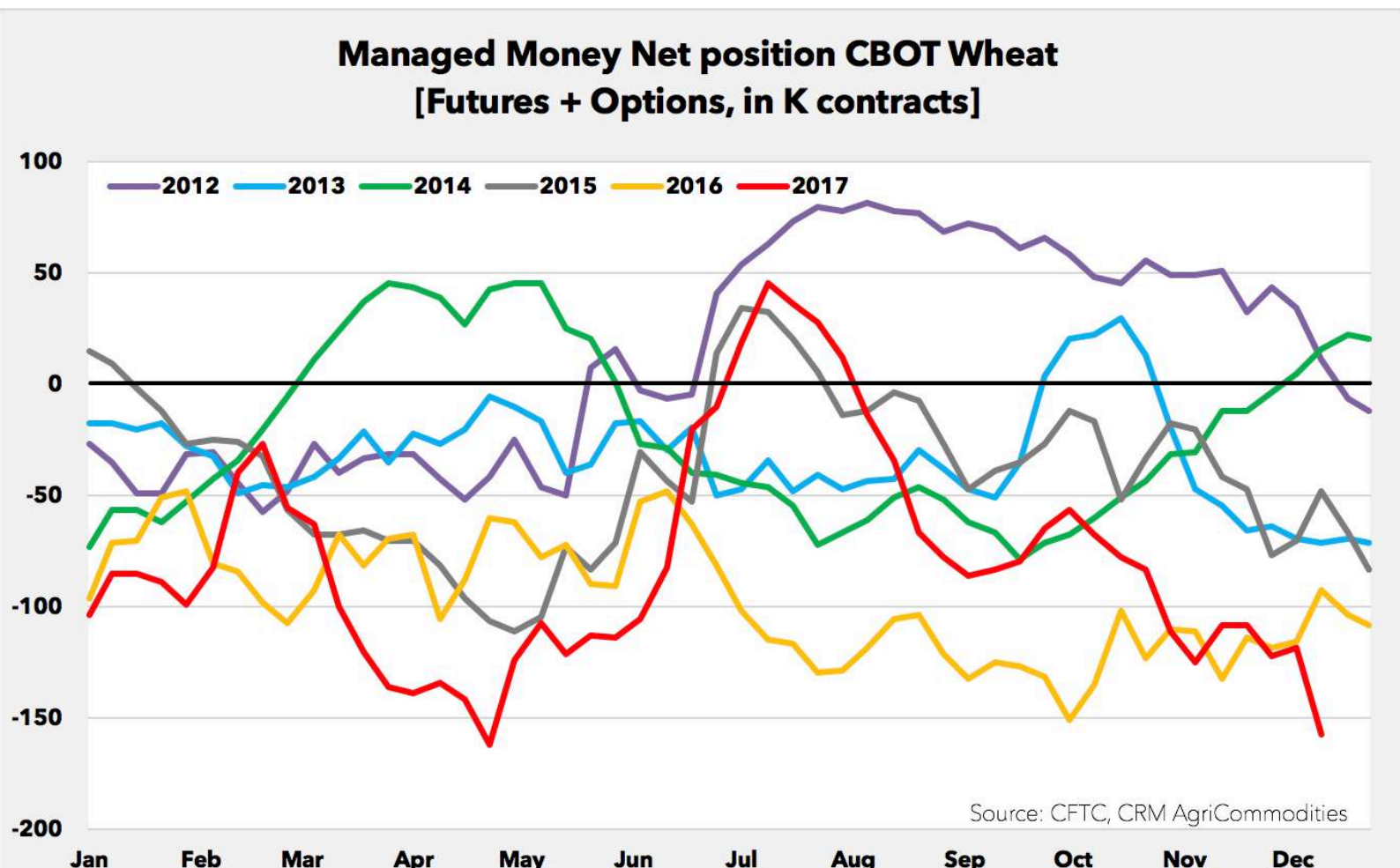


Appendix



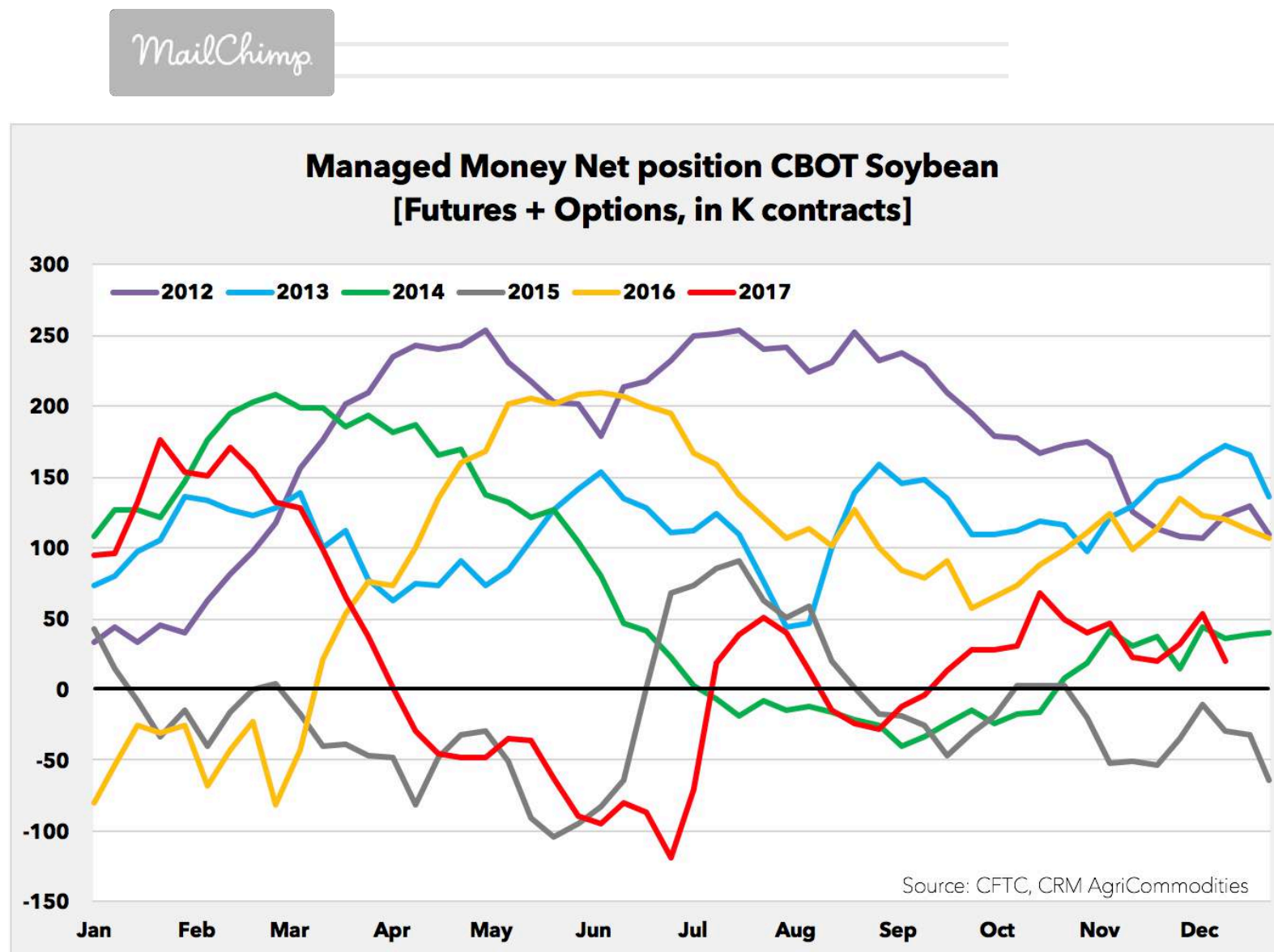
Date	Long	Short	Net	Record	Date	# Lots
12/12/2017	207182	404374	-197192	Net Long	28/09/2010	429,189
05/12/2017	228484	389003	-160519	Net Short	14/11/2017	-230,556
13/12/2016	167617	241624	-74007			

in Lots | Source: CFTC, CRM AgriCommodities



Date	Long	Short	Net	Record	Date	# lots
12/12/2017	86166	243818	-157652	Net Long	07/08/2012	80827
05/12/2017	93671	212452	-118781	Net Short	25/04/2017	-162327
13/12/2016	90763	183692	-92929			

Source: CFTC, CRM AgriCommodities



Date	Long	Short	Net	Record	Date	# lots
12/12/2017	87079	67324	19755	Net Long	01/05/2012	253889
05/12/2017	104639	51505	53134	Net Short	27/06/2017	-118683
13/12/2016	157325	36575	120750			

Source: CFTC, CRM AgriCommodities



European Markets	Expiry	Price		Change	% Change	Volume	Open Interest
		£/T	€/T				
LIFFE Feed Wheat	Jan-18	138.85	157.71	0.40	0.29%	0	641
	Mar-18	141.20	160.38	0.30	0.21%	0	10
	May-18	142.15	161.46	0.15	0.11%	123	6400
	Nov-18	142.00	161.29	0.75	0.53%	118	3472
	Jan-19	143.75	163.28	0.75	0.52%	0	0
Euronext OSR	Feb-18	315.62	358.50	-1.25	-0.39%	3597	38834
	May-18	319.15	362.50	-1.50	-0.47%	1980	33879
CME EU Wheat	Mar-18	145.05	164.75	0.00	0.00%	0	1
	Mar-18	147.47	167.50	0.00	0.00%	0	11
Euronext Milling Wheat	Mar-18	141.96	161.25	0.75	0.53%	17424	166798
	May-18	145.05	164.75	0.50	0.35%	4440	78363
Euronext Maize	Jan-18	132.94	151.00	0.00	0.00%	786	4265
	Mar-18	139.10	158.00	-0.25	-0.18%	1488	13055
North American Markets	Expiry	Price		Change	% Change	Volume	Open Interest
		£/T	c\$/bu				
CBOT Wheat	Mar-18	115.52	420.75	2.50	0.60%	36629	312145
	May-18	119.02	433.50	2.75	0.64%	10137	86786
CBOT Corn	Mar-18	102.09	347.25	-0.25	-0.07%	74707	849650
	May-18	104.52	355.50	-0.25	-0.07%	13621	214350
CBOT Soybeans	Jan-18	263.36	959.25	-8.00	-0.83%	88049	168749
	Mar-18	266.31	970.00	-8.00	-0.82%	65081	254966
CBOT Soymeal	Mar-18	264.62	321.40	-3.10	-0.96%	38786	162495
	May-18	267.17	324.50	-2.80	-0.86%	11326	67458
ICE Canola (CAD\$/T)	Jan-18	285.38	491.60	-3.40	-0.69%	9656	37754
	Mar-18	289.62	498.90	-3.80	-0.76%	13815	82378
Veg. Oils	Expiry	Price		Change	% Change	Volume	Open Interest
		£/T					
CBOT Soybean Oil (cts/lb)	Mar-18	546.75	33.21	-0.13	-0.39%	30325	183278
	May-18	549.06	33.35	-0.14	-0.42%	6963	85487
Malaysian Palm Oil (MYR/T)	Mar-18	462.52	2527.00	-23.00	-0.90%	16900	38992
	Apr-18	466.00	2546.00	-23.00	-0.90%	2762	34667
Macro	Price	% Change	Spread			Last (£/T)	
EURUSD	1.1790	0.32%	Wheat Mar-18 Euronext - LIFFE			0.76	
EURGBP	0.8804	-0.16%	Wheat Mar-18 CBOT - LIFFE			-25.68	
GBPUSD	1.3391	0.54%	Wheat Mar-18 Euronext - CBOT			26.45	
WTI (\$/bbl)	56.93	-0.65%	Jan-18 Euronext Maize - LIFFE Wheat			-5.91	
Brent (\$/bbl)	63.09	-0.22%	Dec-17 CBOT Wheat/Corn (c\$/bu)			73.50	
(indicative prices)	Call Options		Strike	Put Options		Expiry	Days To Expiry
	£/T	€/T		£/T	€/T		
LIFFE F Wheat May-18	2.00	2.27	150			12/04/18	115
	2.50	2.84	148				
	3.05	3.46	146	6.90	7.84		
			144	5.55	6.30		
LIFFE F Wheat Nov-18			139	2.75	3.12	11/10/18	297
	5.70	6.47	147	10.70	12.15		

18:45:35 on 18-Dec-17