



Namoi Cotton Commodities P/L

Commodity News ~ 29th September 2009

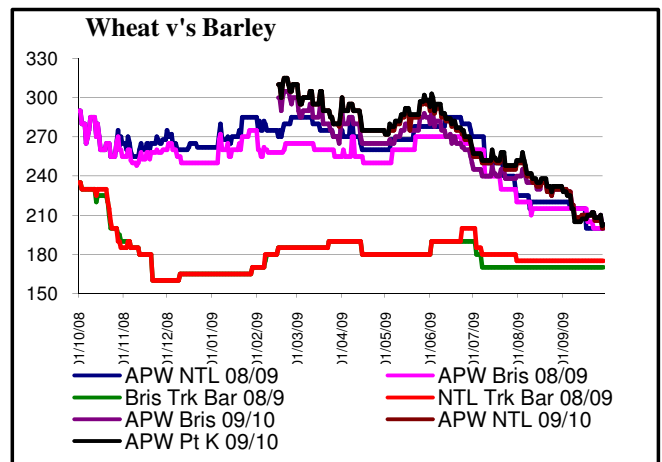
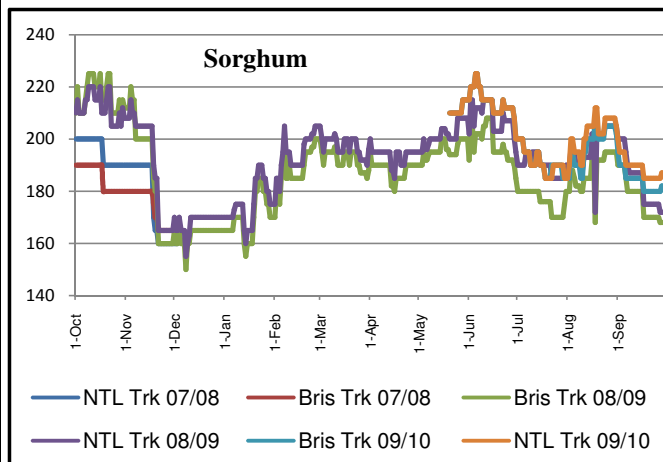


International Report: Massive increases in production across the Northern Hemisphere has seen a large increase in world stocks thus a drop in demand for prompt delivery of wheat. Consumers are now comfortable that supply will outstrip demand and therefore ease price as we have seen. Aussie new crop wheat is still priced at a premium to world prices. Quality and protein will be our market points again this season. We are competing against cheap Black Sea wheat of lesser quality but up to \$80 US cheaper in value. Current futures are struggling to gather any upward momentum to increase international values and the strength of our currency against the US dollar is really hitting prices hard. CBOT futures for the Dec 09 contract are at 455.75 or a direct conversion to a port price of \$195 per tonne showing we still have a downside in the market.

Wheat: With few homes left in the domestic market for old crop wheat values have fallen considerably. Even with this fall potential exports for this product are non-existent as new crop Northern Hemisphere wheat is still cheaper. Values of \$170 -180 ex farm northern NSW are available. New crop wheat seems to be under pressure from the weather when you look out the window, however the market has not seen a rally due to this. Current port values of \$200 - \$205 for APW dont excite anyone and trade is thin. Domestic consumers are comfortable on old crop stocks and are only buying minimal cover at their price. Some feed type wheats have traded delivered the Darling Downs at \$220 and with current freight values to Northern NSW shows a \$180 at best farm. In the southern NSW where things are worse the pricing has been controlled by the SA and VIC crops that look okay thus lower prices prevail.

Sorghum: Sorghum is now controlled by the lower values in wheat. Old crop is trading in the \$165 to \$170 port region and new crop capped by wheat is trading in the mid \$180's. It is hard to see how sorghum can improve in price while wheat is at current levels, even though we have not received enough rain to plant the early crop.

Pulses: The dollar still plays heavily on the pulse market. The Indian government also put in place tariffs on imported product so that local merchants were forced to sell their stocks at lower levels to stop local food prices skyrocketing. This mixed with some rainfall on the India crop has seen chick peas values drop to \$350 local packers. Faba beans are harder again with big EC crops being sold into Egypt taking away the export market. Feed values are hard to find making pricing almost impossible.



Indicative Pricing											
APW Track						Pulses		Sorghum			
Brisbane		Newcastle		Port Kembla		G'windi		Brisbane		Newcastle	
08 09	09 10	08 09	09 10	08 09	09 10	C/Peas	Fabas	08 09	09 10	08 09	09 10
\$200	\$203	\$200	\$200	\$200	\$203	\$350		\$168	\$182	\$170	\$187
Barley						Sorghum Ex Farm 09/10					
BRIS		Newcastle		Port Kembla		Wee Waa		Moree	\$139	N'bri	\$144
08 09	09 10	08 09	09 10	08 09	09 10	C/Peas	Fabas	G'windi	\$142	G'dah	\$152
\$170	\$195	\$180	\$175	\$180	\$165	\$350		Downs	\$150	S'Ridge	\$152
								M'gindi	\$125	Trangie	\$140

Please contact your regional Namoi representative

Trangie 02 6888 9611	Wee Waa 02 6790 3000	Moree 02 6752 5599	Goondiwindi 07 4671 6900	Toowoomba 07 4631 6135
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