



I.D.E.A. Industry Update - April 16, 2004

*****A.M. Market Report**

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*****WCE Grain/Oilseed Review: Lower, Canola Down On CBOT Collapse**

Grain and oilseed futures at the Winnipeg Commodity Exchange (WCE) finished Thursday's session lower with sharp losses in canola prompted by the steep declines in Chicago Board of trade soy complex futures, brokers said.

Canola futures dropped sharply with the biggest declines in the new crop in light to moderate activity. There was light activity in May/July spreads at C\$5.50 and \$5.60 and July/Nov at \$22.00 and \$21.00. Canola futures were pressured lower by the weakness in the CBOT soy complex futures and by moisture in western Canada in the past 24 hours, floor sources said. The weakness was restrained by a softer Canadian dollar and the lack of country selling in the old crop. Farmer selling was evident in the new crop.

In the past 24 hours significant moisture has occurred in central Alberta and parts of Saskatchewan with moisture forecast for Manitoba today, traders said.

A main feature of the Winnipeg market today was the lack of liquidity, after several sessions this week that saw record trading volumes, floor traders said.

Light Japanese pricing and crusher interest in the new crop met mostly commercial selling. The bulk of today's trade was speculative with locals appearing aggressively on both sides, analysts said.

Overnight, Japan booked 5,000 tonnes of canola.

Feed grain futures ended lower in light trade. The weakness in CBOT grain futures accounted for the bulk of the downward pressure in the market, brokers said.

Western barley futures declined as early feed lot pricing faded allowing commission house and commercial selling to push the market down. There was light trade in May/July spreads at C\$3.00 and \$2.50.

Feed wheat futures posted losses in light trade. End user booking encountered local and commission house selling with light country selling also noted, floor sources said. There was small July/Oct spreading at \$1.00 and \$2.00. (Source: Don Bousquet, Resource News International)

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