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WEEKLY SUMMARY OF THE WHEAT SITUATION

October 27, 1937

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DOMINION BUREAU
OF STATISTICS

MAY 23 1938

PROPRIETARY

International Trade:

World shipments for the week ending October 23, 1937 amounted to 10,132,000 bushels compared with 10,884,000 bushels in the previous week and 12,440,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1 to October 23, 1937 were 101,288,000 bushels compared with 129,488,000 bushels for the same period in 1936.

Primary Movement:

Receipts at country elevators and platform loadings for the week ending October 22, 1937 were 3,850,186 bushels, compared with 3,339,873 bushels in the previous week, and 4,564,291 bushels in the corresponding week a year ago.

Cumulative receipts at country elevators and platform loadings from August 1 to October 22, 1937 were 76,551,484 bushels, compared with 117,180,743 bushels for the same period in 1936.

Visible Supply:

The visible supply of Canadian wheat on October 22, 1937 was 73,067,012 bushels, compared with 73,265,768 bushels in the previous week, and 157,262,286 bushels a year ago.

Export Clearances:

Overseas export clearances of Canadian wheat for the week ending October 22, 1937 were 2,545,612 bushels, compared with 1,846,124 bushels for the previous week and 3,405,804 bushels for the corresponding week a year ago.

Imports of Canadian wheat into the United States for consumption and milling in bond for the week ending October 22, 1937 were 116,000 bushels compared with 47,000 bushels for the previous week and 863,000 bushels for the corresponding week in 1936.

Cumulative overseas clearances plus United States imports of wheat from August 1, to October 22, 1937 were 22,469,752 bushels, compared with 59,588,230 bushels for the same period in 1936.

Prices:

The Winnipeg cash closing price of No. 1 Northern on Tuesday, October 26, 1937 was \$1.48 1/4 showing an increase of 4 7/8 cents over the previous Tuesday's close of \$1.43 3/8.

WORLD EVENTS

1. Stock Market Influence

With the comparative steadying of the stock markets since last Wednesday, wheat prices have been more sensitive to factors within the trade. Commencing with last Wednesday the United Kingdom demand for Canadian wheat has been improving, and by Saturday 3,000,000 bushels had been worked for export. Following Wednesday's recovery in the stock and wheat markets, there was a moderate amount of speculative buying in wheat, which had remained relatively strong while security prices were going down. On Saturday, Winnipeg wheat prices rose with renewed export buying, but later in the session eased with the day's drop in securities. On Monday, the rise in securities was not a factor. The Winnipeg October future declined, while the December and May futures gained in a session that felt some hedging pressure and lack of support for October. On Tuesday Winnipeg prices rose with a 750,000 bushel export business, and a bullish crop estimate for Australia, but eased later in the session due to the unsettled security markets.

2. Cash Prices at Winnipeg

Prices for the top grades of Canadian wheat have been ruling at premiums since August 1, due to the usual European requirements for limited amounts of high quality wheat for blending purposes. This year, the Canadian supplies of the top grades are extraordinarily small, and United States equivalents for these grades are limited and are being picked up by United States mills. Russia also has an unknown amount of high quality wheat this year, which was being offered on the Liverpool c.i.f. market earlier in the season. More recently Russia has been offering the lower grades only. As a result of this tight supply situation in the top grades, No. 1 Northern spot wheat closed at \$1.48 1/4 or 22 cents over the October future, and No. 2 Northern closed at \$1.40 1/4 or 14 cents over October. No. 3 Northern closed at \$1.18 1/2 or 7 3/4 cents below October.

3. The Australian Wheat Crop

On Tuesday, October 26, Broomhall released an estimate of 140 million bushels for the current Australian wheat crop, which was below other trade expectations.

4. Wheat Production in the Orient

The 1937 wheat crop of China, Manchuria and Japan is placed at 730 million bushels by the Shanghai office of the United States Department of Agriculture. This total compares with 871 million bushels produced in 1936, and with a 1931-35 average of 859 million bushels. The entire decrease this year in the combined wheat crop was in China. In this country the 1937 crop amounted to 640 million bushels, compared with 791 million bushels in 1936, and a 1931-35 average of 780 million bushels.

5. Wheat Production in Germany

An official estimate of October 21, places the German wheat crop at 161,192,000 bushels compared with an earlier estimate of 157,885,000 bushels. German wheat production in 1936 amounted to 162,659,000 bushels and imports of approximately 32 million bushels were necessitated.

6. Wheat Production in Bulgaria

An official estimate of October 19, places the Bulgarian wheat crop at 56,474,000 bushels, which is appreciably lower than the earlier estimate of 64,227,000 bushels. The 1936 crop in Bulgaria totalled 59,034,000 bushels, and of this amount approximately 8 million bushels were exported.



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