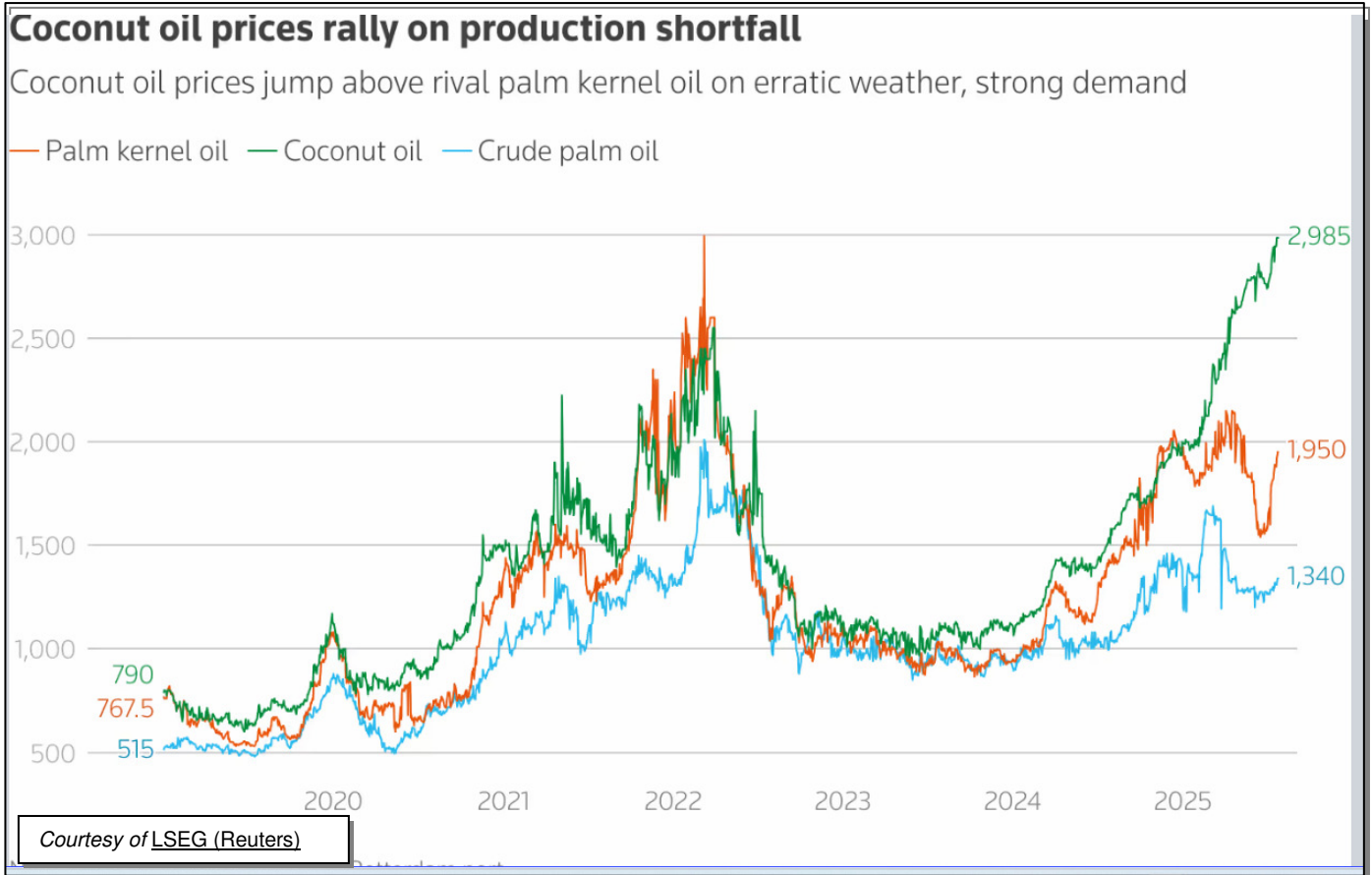


Ancillary Update to our Aug 18th **Oilseeds** studies...



Our North American Oilseeds and Spring Red Wheat studies this week hinted at a divergence within the grains complex. In recent years, higher energy values lent some support to oilseeds (and corn) as biofuels. However, Brent & WTI Crude are close to their 4 year lows.

The study above shows 5 year price patterns of the ‘tropical oils’. Palm oil (traded on MDEX in Malaysia) competes on world markets against soy oil. However, the tropical oils have been diminished by the West as inferior, but the group is important to Third World & Emerging countries as a key food source. Additionally, some tropical oils are used in certain processed foods, eg, some confectionary products; substitutability may prove difficult with Soy and Canola oils. Lastly, Coconut oil in particular has enjoyed a surge due to popularity with derivative Coconut Water for health conscious consumers.

Nonetheless, differences of uses aside, we include this addendum as a prospective clue why oilseeds have fared a bit better than coarse / row crops.