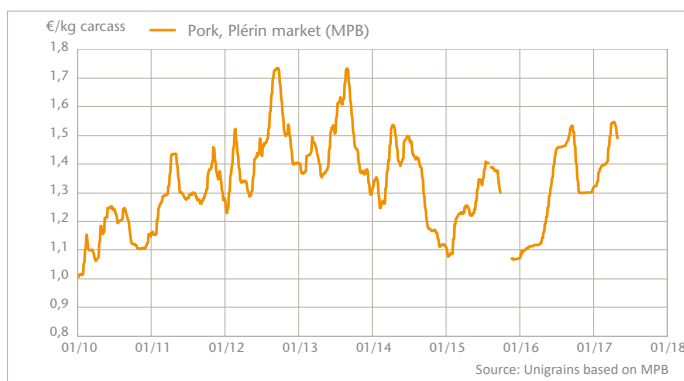


Soft wheat FOB Rouen prices



The European Union, and particularly France, is an exception this season with a 2016 crop affected by unprecedented climate conditions, in a global context where all major producer and exporter countries around the world have recorded bumper crops. With a volume estimated at 753m tonnes by the CIC in April 2017, world production reached a historic high. Despite a disappointing national performance, prices are therefore struggling to rise and cereal farmers are penalised both in volume and prices. In the domestic market, the efforts made by all the sector's stakeholders helped maintain sales and block potential imports. The impact is especially marked in exports, in particular to third-party countries, with an expected fall of close to 60%. Our wheat's international competitiveness gives cause to be optimistic for a reduced level of end-of-year stocks. A healthier balance sheet is necessary for a fresh start with the attributes to win back lost markets, all the more so as global production promises to be just as heavy and prices have limited upside potential, barring climatic hazards.

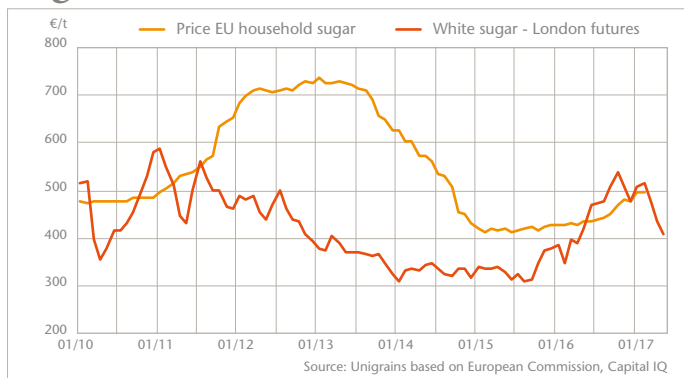
Pork



Pork prices on the French MPB market picked up again in early 2017 to reach a base price of €1.55/kg in mid-April, i.e. higher than the highest price reached in 2016. This rise was driven by sustained demand in Asia and especially high demand in China. Favourable weather conditions in Europe also supported consumption. The fall in prices at the end of April and beginning of May is the result of fewer slaughters due to holidays.

In early May, Chinese demand remained robust. On the supply side, pig production showed signs of slowing down in Europe and has been declining since the beginning of the year in France. In the United States, however, pig stocks are at a high level, pig production is expected to rise 4% in 2017 year-on-year and pork prices are declining sharply. In America, supply regained competitiveness against Europe and competition intensified on highly coveted Asian markets.

Sugar



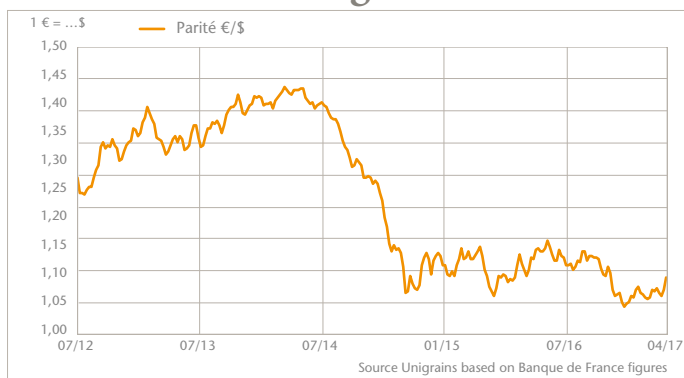
The fall in the world sugar price that started at the end of 2016 has accelerated since February 2017, reflecting prospects for a worldwide sugar surplus in 2017/18 after two years of deficit.

According to recent forecasts by F.O. Licht, the 2017/18 global supply is set to exceed 2m tonnes thanks to global production of 190m tonnes, up 7% from the previous season. Production is set to increase particularly in India, which is reducing its import outlook, Thailand and Europe, and remain very high in Brazil where manufacturers prefer producing sugar to ethanol. In the EU, production is set to increase by approximately 3m tonnes thanks to an increase in farmed areas of around 16% (17% in France).

However, as global stocks remain at low levels and the production outlook – particularly in Brazil – continues to be widely debated, it seems there is little prospect of a greater fall in prices in the coming months.

The average retail price for food sugar in Europe should remain close to €490-€500/t, the level observed at the beginning of the year (with a standard deviation of around €30/t).

Euro-dollar exchange rate



Oil

