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Soybeans Reach 13-Month Low as Debt Crises May Be Sapping Demand
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By Tony C. Dreibus and Luzi Ann Javier

Nov. 23 (Bloomberg) -- Soybeans fell to a 13-month low in Chicago amid concern the debt crises in the U.S. and Europe may be eroding crop demand. Corn and wheat dropped.

U.S. soybean exports in the marketing year begun Sept. 1 are down 33 percent from a year earlier, according to the Department of Agriculture. Shipments have slid 19 percent for corn and 5 percent for wheat, USDA data show. Investors may be avoiding agricultural commodities until the outlook is clearer for the U.S. and European economies.

"We're seeing a continued level of concern about the health of the global economy," said Sudakshina Unnikrishnan, an analyst at Barclays Capital in London. "We're not seeing much support from the fundamental side, either. Weekly export sales are off the past few weeks."

Soybeans for delivery in January dropped 1.6 percent to \$11.35 a bushel by 10:57 a.m. London time on the Chicago Board of Trade. The oilseed touched \$11.3375, the lowest price for a most-active contract since Oct. 8, 2010.

Corn for delivery in March declined 1.7 percent to \$5.9575 a bushel. The grain retreated for a fifth session in six.

Wheat for March delivery lost 1.4 percent to \$5.945 a bushel, the third straight decline. Milling wheat for March delivery traded on NYSE Liffe in Paris fell 1.4 percent to 172.50 euros (\$230.87) a metric ton, the fifth drop in a row.

Prices also retreated as bids in a German auction of 10-year government bonds fell 35 percent short of the maximum sales target. The U.S. economy expanded at a 2 percent annual rate in the third quarter, less than projected, according to revised Commerce Department figures yesterday.

"Macroeconomic concerns remain an issue," Jonathan Barratt, managing director at Commodity Broking Services Pty, said by phone from Sydney. "People are losing more faith in the ability of the powers that be to come up with some good rhetoric."

The CBOT will be closed tomorrow for the Thanksgiving holiday.

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