Report week 39

Corn:

In the Black sea (Ukr) it was very quiet last week with sellers showing around +40 for pre-Christmas positions but buyers indicating +35 levels. January onwards positions nominally +53 vs +42.

Hungarian Danube corn FOB levels traded in small quantities for oct/nov positions last week around 142/143€ level. Basis January traded 149/150€.

Corn in the Dutch market was really quiet, some spot positions traded at 170€, and one trade was reported for oct/dec'16 @165€.

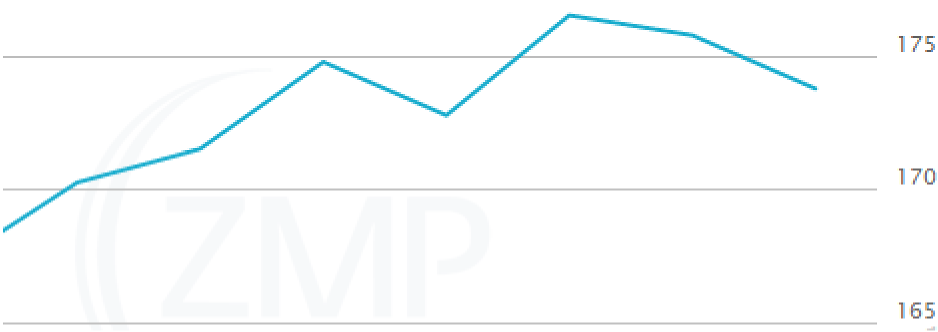
Wheat:

The Russian government proposes to cut its floating wheat export tax from Oct. 1, Arkady Dvorkovich, deputy prime minister in charge of agriculture sector, told reporters on Thursday. The current duty formula is set at 50 percent of the customs price minus 5,500 roubles per tonne but not less than 50 roubles per tonne. The government proposes to change the formula to 50 percent of the customs price minus 6,500 roubles per tonne but not less than 10 roubles per tonne. This would make the tax on current traded levels around 190-192$ for the (12.5pro) milling wheat 0 with the new proposed export tax structure.

Jordan's state grain buyer has issued an international tender to purchase 50,000 tonnes of hard milling wheat which can be sourced from optional origins. The tender closes on Oct. 4

Milling wheat's Fob in Germany and Poland still no big action with the local market paying better prices. There was a rumour that -2 traded for a SPOT boat but that doesn't reflect the general buying idea in this market. The nominal value for Black sea 12.5protein was moving sharply up towards the end of the week (with CBOT/Matif flying upwards) 189$ (oct), 190$ (nov) and 192$ (dec). Feed wheat in the black sea was traded 166$ for oct positions and 176$ for Jan and 180$ for Feb.

On the Dutch market last week some movement on the feed wheat with nov/dec positions trading around 167/168€ levels for physical deliveries. Jan/mrt and jan/jun positions buyers and sellers remain around 2/3€ apart (-3/-4 vs -6 to matif March)



(matif dec'15, 21-28 sep 2015)

Barley:

For the German barley market new crop was traded at 182$ FOB equivalent in the delivered interior market (Moving up with the matif rise). Saudi barley market CIFFO far apart with sellers around 197$ but SGAF bidding only 191$, trade-short paying a little bit better but not close to the offers.

Dutch market for barley no big movement, as prices interior are too expensive compared to wheat/corn. Only a consumer pricing was quoted in the Dutch market for jan/jun @ 169€.

South America:

Another week of economic turmoil in South America. In Argentina the government announced new measures for access to the dollar market. This caused a sharp fall in the stock market and especially in government bonds. All eyes are now on the end of this week when the country needs to pay off the BODEN 2015 government bonds while everybody fears there is not enough money available. In Brazil the currency came under heavy attack. It was the first time the currency broke and closed above the R$4. It even reached 4.248 but then the central bank jumped in and started selling reserves. It brought the currency back to a weekly close at 3.97. But against all efforts of the central bank, the pressure to go up remains in the market.

The climate was rather wet again in the southern region of Brazil but so far no one is expecting that these last rains have further deteriorated the crops. There are still some heavy rains in the forecast so the planting of corn and harvest of wheat is not yet secure. In the rest of the region the weather was beneficial for the crops with rains to maintain the soil moisture and dry periods which kept planting windows open.

In the premium market, in Argentina there was not too much going on with stable numbers at around +30cz for October and mid/high 30´s for Nov/Dec. In Paraguay we saw the front months stable at 20cz without business but some bizz was reported after Christmas at +22ch for 15/1-15/2. Brazil also saw some cargoes trading hands. Old crop traded at +38cz for November and 2016 changed hands at +10cz for 15/9-15/10 shipment. The premiums overall were stable with a small raise just after the central bank brought back the Real from 4.24 to 3.88 but by the end of the week nov was at +45, dec +50, jan +50 and 2016 Aug +30, Sep +20 and OND +18.

Sunseed/Sunoil

Ukrainian Sunflower oil started week 39 again quietly. The market showed that the front positions were becoming very technical, with October not even being discussed and full November very difficult to find. There is a clear inverse in the market. Market is mostly concentrated on the December but showing buyers willing to pay round 10 USD premium for the full November position, with hardly any offers. The market started with buyers for December at 735USD, with weak Soybean oil on the CBOT there was not much movement in the market. Towards middle of the week the market started trading December at 740 USD and until Friday traded up until high 750s USD. While at some points the Soybean oil on the CBOT was not particularly firming, buyers were determined to put some Sunflower oil in the books. It seemed this buying was motivated by the Sunflower seeds market which was keeping firm and reporting higher trades. Because of this Sunflower seeds development some crushers were actually hedging their position by buying Ukrainian Sunflower oil.
The Sunflower seeds market was not very active during week 39. With the market anticipating on some big shorts in the market there was little factors that motivated sellers to lower prices. Throughout the week buyers were seen round 425/430USD levels while the sharpest seller was not moving down from 440USD for some October Sunflower seeds. With week 38 reporting its highest trade above 435USD the sellers were again looking to obtain better prices. Week 40 we actually start unchanged. Sunflower seeds sellers are still difficult to find on the Black Sea and so there is little reason for the active sellers to decrease prices.