

Report week 41

Corn:

South Korea's (KOCOPIA) purchased about 60,000 tonnes of corn in a tender which closed on Thursday. It is likely to be sourced from South America

- The corn was purchased at \$195 a tonne c&f including a surcharge for additional port unloading. The corn had been sought for arrival around Jan. 10 and the seller was Bunge.

A group of Israeli private buyers purchased some 102,000 tonnes of corn to be sourced from optional origins in an international tender which closed on Thursday. The group also purchased 40,000 tonnes of optional-origin feed wheat. The grains are likely to be sourced from the Black Sea region but the seller has the option of selecting the origin

The corn purchases were quoted as below, sellers were Nidera and Cargill:

- 27,000 tonnes for shipment between Nov. 25 to Dec. 15, 2015, at \$177.10 a tonne c&f
- 45,000 tonnes for shipment between Dec. 20, 2015, to Jan. 15, 2016, at \$177.90 a tonne c&f
- 30,000 tonnes for shipment between Jan. 20 to Feb. 10, 2016, at \$181.95 a tonne c&f

The feed wheat purchases were quoted as below sellers were Nidera and Bunge:

- 15,000 tonnes for shipment between Nov. 20 to Dec. 10, 2015, at \$187.89 a tonne c&f
- 25,000 tonnes for shipment between Dec. 20, 2015, to Jan. 10, 2016, at \$190.25 a tonne c&f

In the Black sea (Ukr) November/december'15 positions were traded between 168 and 171US\$ depending on position/port. January onwards positions nominally still +55 vs +45.

Hungarian Danube corn FOB levels traded Oct/nov/dec positions last week around 148€ level. Basis January nominal level quoted 153€. Problem in Hungary is that the farmer is not selling quantities and local starch/ethanol factories are paying market up daily.

Corn in the Dutch market some spot positions traded at 170/171€, jan/mar was traded at 172/3€ and apr/jun at 178€. Oct/dec'16 traded 169€.

Wheat:

Saudi Arabia (GSFMO) bought 740,000 tonnes of hard wheat in an international tender which closed on Friday. Wheat with 12.5 percent protein content had been sought in the tender. The accepted origins are the European Union, North America, South America, Australia and Canada at the sellers' option. Below are details of the purchase in dollars per tonne, cost and freight (C&F), with shipment period in 2015 in brackets: Jeddah Port

- 65,000 tonnes hard wheat from ADM at \$214.96 C&F (Dec. 1-10)
- 65,000 tonnes hard wheat from ADM at \$217.10 C&F (Dec. 10-20)

- 65,000 tonnes hard wheat from ADM at \$217.20 C&F (Dec. 20-30)
- 65,000 tonnes hard wheat from ADM at \$217.96 C&F (Jan. 1-10)
- 60,000 tonnes hard wheat from Louis Dreyfus at \$220.44 C&F (Jan. 10-20)
- 65,000 tonnes hard wheat from ADM at \$223.15 C&F (Jan. 20-30)
- 60,000 tonnes hard wheat from Invivo at \$224.80 C&F (Feb. 1-10)
- 60,000 tonnes hard wheat from Louis Dreyfus at \$223.14 C&F (Feb. 10-20)
- 55,000 tonnes hard wheat from Cerealis at \$226.16 C&F (Feb. 20-29)

Dammam Port:

- 60,000 tonnes hard wheat from ADM at \$220.71 C&F (Dec. 1-10)
- 60,000 tonnes hard wheat from ADM at \$222.95 C&F (Dec. 25-Jan. 5)
- 60,000 tonnes hard wheat from Invivo at \$222.60 C&F (Jan. 20-30)

Egypt's (GASC), has bought 180,000 tonnes of wheat in a tender for Nov. 11-20 shipment
Traders gave the following breakdown of the purchase:

- 60,000 tonnes of Russian wheat from Union Co. at \$198 a tonne free on board (FOB) and \$7.89 a tonne freight from Union Co.
- 60,000 tonnes of Russian wheat from ADM at \$199 a tonne FOB and \$9.24 a tonne freight from National Navigation
- 60,000 tonnes of Romanian wheat from ADM at \$198.50 a tonne FOB and \$9.39 a tonne freight from National Navigation

Milling wheat's Fob in Germany and Poland extremely quiet. With the above mentioned Saudi business this would calculate around -10/12€ out of Poland which is not remotely offered in the market (more around -6/-7). The Black sea values were again tested, and booked in the above mentioned GASC tender with Russian/Romanian origin bought.

On the Dutch market last week some movement on the feed wheat with nov/dec positions trading around 172€.

Barley:

For the German barley market new crop was traded at 185\$ FOB equivalent in the delivered interior market. France quoted around 185/187\$ FOB but no real new buying ideas popping up as fresh demand from China lacking.

Dutch market for barley some November paper positions were traded at 164/5€, and consumption priced nov/dec some tonnage at 167/6€. At 171€ (jan/mrt) and 173€ (jan/jun) some pricing took place on the consumer side in the Dutch market.

South America:

The economy in the southern hemisphere during the past week has been rather optimistic. In Argentina the government paid off in full one of the most threatening debts. They did issue new debt without too much success and the central bank did give in on their dollar reserves in order to pay off the debt. In Brazil the government was also successful in lowering the exchange rate. It ended the week at 3,75.

With regards to weather, the Argentine and Paraguayan main regions did not see too much change with good conditions for the crops. However in South Brazil heavy rains continue. One of the main reasons why we saw offers of feed wheat coming to the market for Dec/Jan/Feb delivery in Rio Grande. The weather for the coming days looks a bit dryer for which the situation should be better for fieldwork such as harvesting and sowing.

In the corn market we saw one business in Brazil in December 2016 where a panama was traded at +15cz. The rest of the market remained stable with November in Brazil offered at +45cz, December +48cz, Jan +50ch. August 2016 +30cu6, September at +25cu6 and OND at +20cz6. Argentina ended the week with little offers with November offered at +30cz and December indicated at +35cz.

Sunseed/Sunoil

Ukrainian Sunflower oil started week 41 with the intention to catch up missed trades from the previous week. The week opened with JFM positions trading at 750 USD. Throughout the week the market kept firming up and closed the Friday with JF positions trading at 769. While the spread with Argentinian Soya oil was still 100+ USD, destination purchases were supporting these trading levels. As a sole product Sunflower oil could still be argued as well priced for the consumer. The Ukrainian Sunflower oil market was still showing the inverse of previous weeks and paying a 20 USD premium for November and 10 USD premium for December over the JFM positions. Week 42 kept the trend going with an trade reported on the early Monday for the January position at 772,50 USD.

The Sunflower seeds market was again not very active. With no harvest pressure, prices keep rather firm on the selling side. This week buyers improved prices slightly to 430/435USD levels while the sharpest seller was not moving down from 450USD for some October Sunflower seeds.

With the Sunflower oil firming up during week 41 it is only fuelling the market to move prices up. Week 42 started with Sunflower seeds buyers improving buying levels again, paying 440 USD.

