

Report week 46

Corn:

South Korea's (NOFI) purchased 63,000 tonnes of corn via a tender closed on Wednesday. The company originally sought to buy up to 69,000 tonnes of corn and up to 65,000 tonnes of feed wheat via two other tenders, but failed in bidding due to exceeding target price. Details are as follows:

• PRODUCT	PRICE(c&f)	SUPPLIER	ARRIVAL
Corn	\$189.9	CHS	Apr. 1, 2016

South Korea's (KOCOPIA) purchased 55,000 tonnes of U.S. corn via a tender that closed on Wednesday. The purchase was on a cost-and-freight(C&F) basis, and the details of the purchase are as follows:

• TONNES	ORIGIN	PRICE	SUPPLIER
55,000	U.S.	\$194.35	Mitsubishi Corp

Korea's (KFA) bought 60,000 tonnes of corn of South America origin in an invitation to bid on Wednesday. The KFA's Busan section made the purchase at \$192.8 per tonne c&f with a \$1.5 per tonne surcharge for additional port unloading.

Details of the purchase are as follows:

• ORIGIN	SUPPLIER	ARRIVAL	PORT
South America	Cargill	April 10, 2016	Ulsan, Busan

In the Black Sea (Ukr) we picked up some movement on the spot positions around 168\$ (2h Nov) January traded around 172\$. With the €/\$ moving closer towards parity, the Dollar based countries become less interesting for the buyers as most demand comes out of Europe.

Hungarian Danube corn FOB levels nov/dec positions last week traded around 150€, Basis January traded around 155€. The water levels on the Danube are very low so new business is hard to conclude. Most of the discussions are about solving logistics on the nov/dec positions.

Corn in the Dutch market some Jan/june traded around the 175€ level. Some quantities moved on the apr/jun position at a price of 178€ which was a big spread to the jan/march (172€) or jul/sep (174€) that why there were some sellers in the market. The buyers looked at the international market were this price is the cheapest corn around.

Wheat:

Egypt's (GASC), has bought 115,000 tonnes of Russian and Ukraine wheat in a tender for Dec. 11-20 shipment. Traders gave the following breakdown of the purchase:

- 60,000 tonnes of Russian wheat from Union Co. at \$203.46 a tonne free-on-board (FOB) and \$6.66 a tonne freight also from Union Co;
- 55,000 tonnes of Ukraine wheat from Venus at \$197.30 a tonne FOB and \$13.44 freight from National Navigation.

The day after GASC was again in the market and booked 120,000 tonnes for the same position (11-20dec) Traders gave the following breakdown of the purchase:

- 60,000 tonnes of French wheat from Glencore at \$200 a tonne free-on-board (FOB) and \$11.50 a tonne freight;
- 60,000 tonnes of Russian wheat from Union Co. at \$203.78 a tonne FOB and \$7.99 a tonne freight.

Algeria's OAIC bought around 550,000 tonnes of optional-origin milling wheat in a tender that closed on Thursday.

- OAIC paid an estimated average of \$205 a tonne, including cost and freight, for the wheat, with traders citing prices ranging from \$204.00 to \$205.50. The wheat was for shipment in January.

Most of the volume was expected to come from France, usually Algeria's main wheat supplier,

Jordan's Ministry of Trade and Industry has bought 100,000 tonnes of wheat in a tender for the same amount.

- The wheat was purchased at \$234 a tonne cost and freight from Sarles and is for shipment during January.

The purchase comes after a series of wheat tenders issued by Jordan ended without a purchase as major trading houses were unwilling to participate.

The limited interest in selling to Jordan was due to stricter tender terms on grain quality inspection and payment, which create higher risks for sellers

French silo operator Senalia has stopped taking delivery of milling wheat at Rouen port as of Thursday due to a lack of storage space linked to slow export demand for wheat, the company said in a statement. Senalia said it would lift the suspension as soon as export loadings for milling wheat picked up. This is the second time this season that Senalia, the main grain silo operator at Rouen and one of the delivery points for wheat traded on Euronext, has suspended inflows of wheat.

Activity in milling wheat FOB out of northern Europe cooled down a bit with Russian prices coming down on the pre-Christmas periods and French origin competing (and booked) in the GASC tender.

On the Dutch paper market the feed wheat was very quiet.

Barley:

Jordan's Ministry of Trade and Industry is seeking to buy 100,000 tonnes of wheat and 100,000 tonnes of barley in international tenders

The deadline for wheat bids is Wednesday and deadline for barley bids is Thursday. The wheat is being sought for shipment in periods between the second half of February and the first half of March while the barley is for shipment during April.

For the German barley market there was some volume traded on the delivered market bss nov at a FOB equivalent at that time of 181US\$. With the €/\$ getting closer to parity this EU origin based barley is becoming more and more attractive for export.

Dutch market only trade reported was new crop (sep/dec'16) at a price of 174€.

South America:

This week we witnessed the first presidential debate in Argentine history. Although it was not really a debate (it looked more like a repetition of the campaign videos) there were a couple of confrontations that showed that one way or another, the Argentines are ahead of a change. Even when the government candidate wins. The polls on the internet showed that Mr Macri, the opposition candidate, was the winner of the debate. Now let's see what happens next Sunday when the ballotage will take place.

The weather continues to show strong patterns of El Niño in this part of the world. Heavy rains in the south of Brazil continue to complicate the wheat harvest, while drought in northern Brazil is complicating the corn and beans. Argentina, Paraguay and Uruguay are facing above normal rainfall but nothing that is threatening for the crops so far.

Marketwise we did not see too much movement last week with premiums firming up on the corn in both Argentina and Brazil. In Argentina for December or January shipment, premiums are offered at +70cz/ch. Brazil is 10cts higher for same period on Panamax sized vessels of 75cz for a handy. This is for Santos/Tubarão/Itaqui/Barcarena. On the new crop we see interest for Argentina March/April at +30 while sellers are aiming at +40ck for parcels. In Brazil the September is +40cu vs +30 and OND +35 vs +30. Wheat is starting to be discussed a bit more. Current prices in the local market, and considering the new president will eliminate export taxes, will work to many destinations. However still no one takes the risk that taxes will be eliminated completely. Feedwheat in Argentina for March is offered at 190. In Brazil December is worth USD 180 with buyers around 170.

Sunseed/Sunoil

Ukrainian Sunflower oil did not show any clear direction during week 46. The market was still showing some resistance at 775/780 USD for February/March positions. At these levels different types of operators kept stepping in on the buying side. Week 46 did however show sellers, driven by the trade, taking January apart from February/March and asking a 2,50USD premium for the January. December throughout a few trades kept holding on to 10USD premium against the February/March positions. Outright we saw the February/March positions throughout the week were not moving much with bids close to 780USD against offers round 790USD. After some time the biggest crusher of Ukraine retuned to the market but offered the January/February/March positions at 810USD as the Sunflower seeds market did not allow them to compete with the trade.

Week 46 kept the weakness on the Sunflower seeds. While week 45 showed buyers decreasing it seems for week 46 the buying side was primarily set by the crushers. The market seemed to be of the idea that shorts were finally covered on the Constanta sunflower seeds market. Due to the crushers calculating the bids back from the rather weak oil we found the bids moving down to 440USD for week 46. Sellers however seemed not in the mood to chase the market and staid at 460USD as an offered level.

