

Report week 9 (2017)

Corn:

South Korea's (MFG) purchased about 66,000 tonnes of corn which can be sourced from optional origins in an international tender which closed on Thursday.

- The price was \$191.75 a tonne c&f plus a \$1.0 a tonne surcharge for additional port unloading. The tender had sought arrival around June 10, seller was Pan Ocean

Korea's (KFA) purchased about 60,000 tonnes of corn to be sourced from optional origins in a tender which closed on Friday.

- One consignment was purchased at \$190.90 a tonne c&f plus a \$1.0 a tonne surcharge for additional port unloading. The tender sought corn for arrival around June 15 and seller was Pan Ocean.

Korea's (KFA), Inchon section, purchased about 65,000 tonnes of corn seen likely to be sourced from the United States in a direct deal on Friday.

- One consignment for arrival around June 10 was purchased at about \$189.50 a tonne c&f. Seller was Japanese trading house Itochu.

The deal was in addition to the purchase of around 60,000 tonnes of optional-origin corn at about \$190.90 a tonne c&f in a tender on Friday by the KFA's Busan section (see above)

South Korea's (KOCOPIA) purchased about 60,000 tonnes of corn to be sourced from optional origins in a tender which closed on Tuesday.

The corn was purchased at \$192.75 a tonne c&f including surcharge for additional port unloading. The corn was for arrival around June 10.

South Korea's (NOFI) bought 199,000 tonnes of corn and 65,000 tonnes of feed wheat, both to be sourced from optional origins in an international tender which closed on Tuesday.

The corn was purchased in three consignments.

- One consignment of 68,000 tonnes was purchased at \$188.93 a tonne c&f plus a \$0.95 a tonne surcharge for additional port unloading for arrival around July 10. Seller was Itochu.
- The second consignment of 65,000 tonnes was bought at a premium of \$1.15 c&f over the Chicago July corn contract CN7 plus a \$1.0 a tonne surcharge for additional port unloading for arrival around July 20. Seller was CHS
- A third consignment of 66,000 tonnes was purchased at a premium of \$1.11 c&f over the Chicago July corn contract plus a \$1.0 a tonne surcharge for additional port unloading for arrival around Aug. 1. Seller was CHS
- The feed wheat was all bought at \$204.50 tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading for June 20 arrival. Seller was Glencore

A group of Israeli private buyers has issued international tenders to purchase up to 85,000 tonnes of corn, 50,000 tonnes of feed wheat and 30,000 tonnes of feed barley. The tenders close on March 15. The grains can be sourced from optional origins. If based on supplies from the European Union or Black Sea region, some 35,000 tonnes of corn was sought for shipment between April 25 to May 15 and 50,000 tonnes between May 20 to June 10. If based on South American supplies, the corn would be shipped 20 days earlier and U.S. would be supplies 15 days earlier. The feed wheat and barley were sought for similar shipment periods if from the EU or Black Sea with adjustments made for shipment from other regions. The group had made no purchase in a previous tender on March 2

Taiwan's MFIG purchasing group has issued an international tender to buy 40,000 to 65,000 tonnes of corn which can be sourced from the United States, Argentina, Brazil or South Africa. The tender closes on Wednesday, March 15. Shipment is sought between April 18 to May 7 from the U.S. Gulf, Brazil or Argentina, if sourced from the U.S. Pacific North West coast or South Africa, shipment is sought between May 3-22.

Blacksea was relatively quiet last week out of Ukraine. March value around 170/171US\$ last week. April traded at 168/169US\$ (60over). May/June sellers quoted with a little carry around 172/173US\$. Buyers were ready to pay 170/171\$ for it. New crop premiums firmed up after drop in Chicago sellers +43/2 vs buying interest just below 40 (38/39over).

On the Danube a range between 142 and 144€ traded FOB for bss march and april. New crop oct/nov market showed sellers around 148 and buyers 145€.

On the Dutch market we have seen some trades on April/May positions around 180€ (but non-gmo corn and physical delivery). New crop OND was further offered at 171€, but buyers showed 167/8€ as an interest.

Wheat:

Turkey's state grain board TMO has made an initial purchase of about 130,000 tonnes of European Union-origin milling wheat in a tender which closed on Wednesday.

The purchase has been allocated to three trading companies and depends on final approval being received from the government. The tender had sought a rapid shipment period from March 15-25.

Traders expect about 100,000 tonnes of the wheat to be sourced from EU Baltic Sea region countries because of the high quality required.

The wheat was purchased in 13 consignments of 10,000 tonnes.

These purchases were made in Turkish lira per tonne with equivalent in U.S. dollars:

- | | | |
|--------------|--------------------|------------------------|
| • Anagro | 5 vessels Mervin | 833lira (222US\$) |
| • ADM | 3 vessels Izmir | 837.5lira (223.25US\$) |
| • Hakan Agro | 2 vessels Bandirma | 848lira (226US\$) |
| • Anagro | 1 vessel Tekirdag | 860lira (229.25US\$) |
| • Hakan Agro | 1 vessel Samsun | 877lira (233.75US\$) |
| • Hakan Agro | 1 vessel Trabzon | 877lira (233.75US\$) |

Tunisia's state grains agency purchased around 75,000 tonnes of milling wheat to be sourced from optional origins in a tender which closed on Friday. The wheat was bought in three 25,000 tonne consignments.

- Some 25,000 tonnes was purchased at \$205.49 a tonne c&f from Glencore
- A further two 25,000 tonne consignments were also purchased, both at \$205.50 a tonne c&f from Nidera.

The tender sought April/May shipment depending on origin finally selected.

Saudi Arabia's (SAGO) said on Monday it has purchased 735,000 tonnes of hard wheat in an international tender. SAGO said these purchases were made in dollars per tonne c&f with arrival period in 2017 in brackets:

Jeddah (C&F):

- 60,000 MT hard wheat from Louis Dreyfus at \$220.69 C&F (May 1-10)
- 60,000 MT hard wheat from Posco Daewoo at \$216.80 C&F (May 10-20)
- 60,000 MT hard wheat from Posco Daewoo at \$216.80 C&F (May 20-30)
- 60,000 MT hard wheat from Posco Daewoo at \$216.80 C&F (June 1-10)
- 60,000 MT hard wheat from Casillo at \$218.58 C&F (June 10-20)
- 60,000 MT hard wheat from Casillo at \$219.59 C&F (June 20-30)
- 60,000 MT hard wheat from Lansing at \$221.00 C&F (July 1-10)
- 60,000 MT hard wheat from Casillo at \$220.99 C&F (July 10-20)

Dammam Sea Port (C&F):

- 65,000 MT hard wheat from Cargill at \$224.37 C&F (May 1-10)
- 65,000 MT hard wheat from ADM Hellas at \$221.57 C&F (May 20-30)
- 60,000 MT hard wheat from ADM Hellas at \$222.97 C&F (10-20 June)
- 65,000 MT hard wheat from ADM Hellas at \$224.98 C&F (July 1-10)

Algeria's state grains agency OAIC has issued a tender to buy a nominal 50,000 tonnes of optional-origin milling wheat for May shipment. The bidding deadline was on Wednesday, March 15. The tender terms indicate nominal volumes but Algeria usually buys more.

Blacksea 12.5pro was showing less action on the old crop values. Values last week 195\$ april/194US\$ 1hMay/193US\$ 2hmay, with prices decreasing daily on slow demand. New crop was quite active with september trading at 178/179\$ level, october and november trading at 182\$.

Dutch market was showing some activity on the AMJ position around 179/180€, both trade covering and some consume pricing. 1hjuly was traded around 181/182€ level. New crop was quiet with dutch consumers waiting for better days.

Barley:

Jordan's state grain buyer has purchased 100,000 tonnes of animal feed barley to be sourced from optional origins in an international tender which closed on Wednesday

It was bought at around \$178.40 a tonne c&f for shipment in July. Seller was trading house Casillo (8\$ cheaper than the next offer in tender)

German markets were a bit more quiet last week with €/\$ changing not in favor of EU exports. Nominal levels FOB April 168\$ vs 164US\$.

On the Dutch market we have seen some movement on April/June positions between 157 and 159€. New crop was quiet.

South America:

The currency in South America had a stable to slightly weaker tone last week. The Argentine peso started at 15.47 and ended the week at 15.5140. The Real began at 3.1380 and ended at 3.1523. In Argentina we saw quite some protests on the street. In the beginning of the week it was because of supporters of the family of the former president. The family had to appear in front of the judges to declare regarding the corruption case involving their hotel chain and suspicious contracts with a construction company. Later in the week, the unions gathered thousands of people for a protest against the government. They announced a general strike for the end of the month or beginning of next month. The Government has called the unions for a dialogue together with the industrial leaders in order to avoid a general strike. In Brazil the lava jato process continues. The owners of construction company Odebrecht will testify this week in exchange for a reduction of their sentence. Political Brazil is rather nervous with their testimony...

The USDA presented the WASDE numbers and as expected, the crops in South America are huge. The numbers for corn for Argentina were raised by 1 million tons to 37.5 million tons. In Brazil the crop was pegged at 91 million tons. Other crops are also huge with soybeans at 55.5 million tons in Argentina and 108 million in Brazil.

The weather continues to be very good in South America. In Argentina we saw one heavy storm last week, but not as bad that we can expect logistical hiccups. Arrival of trucks to the ports is improving every day. Temperatures are between 20 and 25 degrees which is excellent for the fieldwork. Still the general feeling last week was that a situation similar to last year could take place. On the back of that we saw April trading twice at +50 and May at +43 and later in the week at +44. Offers were at low 60's for March dates, April at +55 and May at +47. Demand aiming at +40 for May. June was offered at +35, July at +30 and August/September at +25. The wheat in Argentina was also offered on the nearby with levels of 190 for 11.5% protein without demand. In Brazil the focus was also mainly on the offer side where sellers were looking for bids starting with a 4 for August, September, October or November. However demand only appearing in the low 30's for late positions.

Sunseed/Sunoil

The Ukrainian Sunflower oil market is keeping heavy also for week 10. The week started with April offered at 740USD. March was considered still at a 5USD discount and May/June found offers 2,5USD above the April most of the time but seems to be losing its premium. The market was still having difficulties in finding new lows. Slowly however the March is pulling the April down with it and overall market moved offers 10USD lower towards end of the week. The start of week 11 showed however the 6ports Sunflower oil market losing another 5USD on the offers which sent all buyer to side-lining in the Blacksea. Sellers in Ukraine inviting buyers round 730/725USD for April, however the buying ideas still remain thin. The Blacksea Sunflower seeds market shows little to no change starting week 10. Sellers kept March/April offers at best round 400USD during first half of the week. With Danube waterlevels improving, the sharp oldcrop Sunflower seeds offers from Slovakia and Hungary were starting to become interesting. Calculating these Sunflower seeds to ARAG destinations it was possible to make 400USD delivered. After some time of low water levels keeping these markets closed, it is starting to become competitive towards EU destinations as logistics is being resolved. With little support from elsewhere the Romanian/Bulgarian Sunflower seeds markets have also mainly been calculating to ARAG. So in need to compete, Friday offers dropped down to 390USD. From Monday on buyers were already slowly moving lower but on Friday ended at 383USD.

