

Market Report Week 48

CORN:

This week's CBOT was really quiet. Thanksgiving was not pushing prices in a certain direction. IGC found another 2MMt carry out this year so until we have an idea on next year's crop CBOT levels will remain more or less unchanged. This results especially in BlackSea to old school flat price trading.. If one looks at premiums, they could be surprised. 80+ is nothing special in today's market.

USD202/203/204 are the levels where BlackSea is trading at the moment. Positions are trading from December till May at same levels. Russian corn is quoted around 202usd for DEC. On the other hand, we see levels in Constanza flying. Bids at 157eur vs offers at 160eur for FEB shipment which results in premiums of about 15usd compared to Ukrainian corn. It feels as if the interior Balkan market is not supplying as much corn as expected.

FOB Danube prices are still around 160eur for dec positions as well as bss Jan positions. CIF Holland is still around 175eur for feb-jun.

This week tenders:

A group of Israeli private buyers has purchased 130,000 tonnes of optional-origin corn in an international tender for 100,000 tonnes

If sourced from the Black Sea, shipment of the first consignment was sought in 2014 between Feb. 25 to Mar. 15 and the rest between Mar. 20 to Apr. 10.

- About 75,000 tonnes for the first shipment position was bought at a premium of 120.5 cents a bushel c&f over the Chicago May 2014, or the equivalent of \$218 a tonne c&f
- About 55,000 tonnes was purchased for the second position at the equivalent of about \$216 a tonne c&f.

The Korea Feed Association (KFA) Busan section initially bought 58,000 tonnes of corn to be sourced from the United States in a tender for up to 120,000 tonnes

In addition to the 58,000 tonnes they bought 60,000 Tcorn from the US:

- The 58,000 tonnes was purchased from ADM at the outright price of \$243.88 a tonne c&f plus \$1.50 a tonne charge for additional port unloading. It is for arrival by May 10, 2014.
- The 60,000 tonnes was bought at the flat price of \$244.91 a tonne c&f plus a \$1.50 a tonne charge for additional port unloading. It is for arrival by May 10, 2014 and seller was Marubeni.

South Korea's largest animal feed maker Nonghyup Feed Inc. (NOFI) has initially purchased 60,000 tonnes of U.S.-origin corn in a tender which closed on Wednesday for up to 70,000 tonnes.

- The corn was purchased from Mitsubishi Corp. at a premium of 187.50 cents a bushel c&f over the Chicago March 2014. The corn is for arrival by May 1, 2014.

WHEAT:

South Korea's Major Feedmill Group (MFG) purchased 55,000 tonnes of feed wheat of optional origin late on Thursday

- The wheat was bought from Glencore at \$297.50 a tonne c&f for arrival by Feb. 28, 2014 + additional surcharge of \$1.50 a tonne for the option of unloading at a second port.

South Korea's largest animal feed maker Nonghyup Feed Inc. (NOFI) earlier this week purchased 65,000 tonnes feed wheat of worldwide origin but which is expected to be sourced in Canada

- The wheat was bought at \$294.75 a tonne c&f a tonne from Glencore with arrival by Mar. 25, 2014.

This feedwheat surprisingly coming from Canada where we can expect upto 500000 mt off grade milling/durum

Egypt's GASC, bought 60,000 tonnes of French wheat for shipment from Dec. 16-31:

- 60,000 tonnes of French wheat from Louis Dreyfus at \$291.84 per tonne with freight costs of \$20.98.

Iraq's state grain board has purchased a total 200,000 tonnes of Australian and Canadian wheat in a tender the purchase comprised of the following:

- 100,000 tonnes of Canadian wheat at \$345 a tonne c&f free out;
- 50,000 tonnes of Canadian at \$347.75 a tonne c&f free out;
- 50,000 tonnes of Australian wheat at \$349.29 a tonne c&f free out

The tender sought two shipment periods in 2014 - the first between Jan. 1 and Feb. 4, with delivery taking place Feb. 5 to Mar. 16.

The second is for shipment from Feb. 5 to Mar. 11 with delivery between Mar. 12 to Apr. 20.

BARLEY:

Jordan's state grain buyer has purchased 50,000 tonnes of feed barley in an international tender for 100,000 tonnes

The grain can be sourced from any optional origin.

- Price was \$256.50 a tonne c&f for shipment in the second half of July, 2014 Seller was Ameropa.

Expect Ameropa gambling on either big carry-out in Australia ,Canada or early new crop ex Black Sea.

Argentine harvest just starting and waiting for selling-pressure from farmers.

Australia stabilizing and Saudi last trade at usd 257 ciffo.

Saudi situation unchanged and hugh stocks