

Report week 34

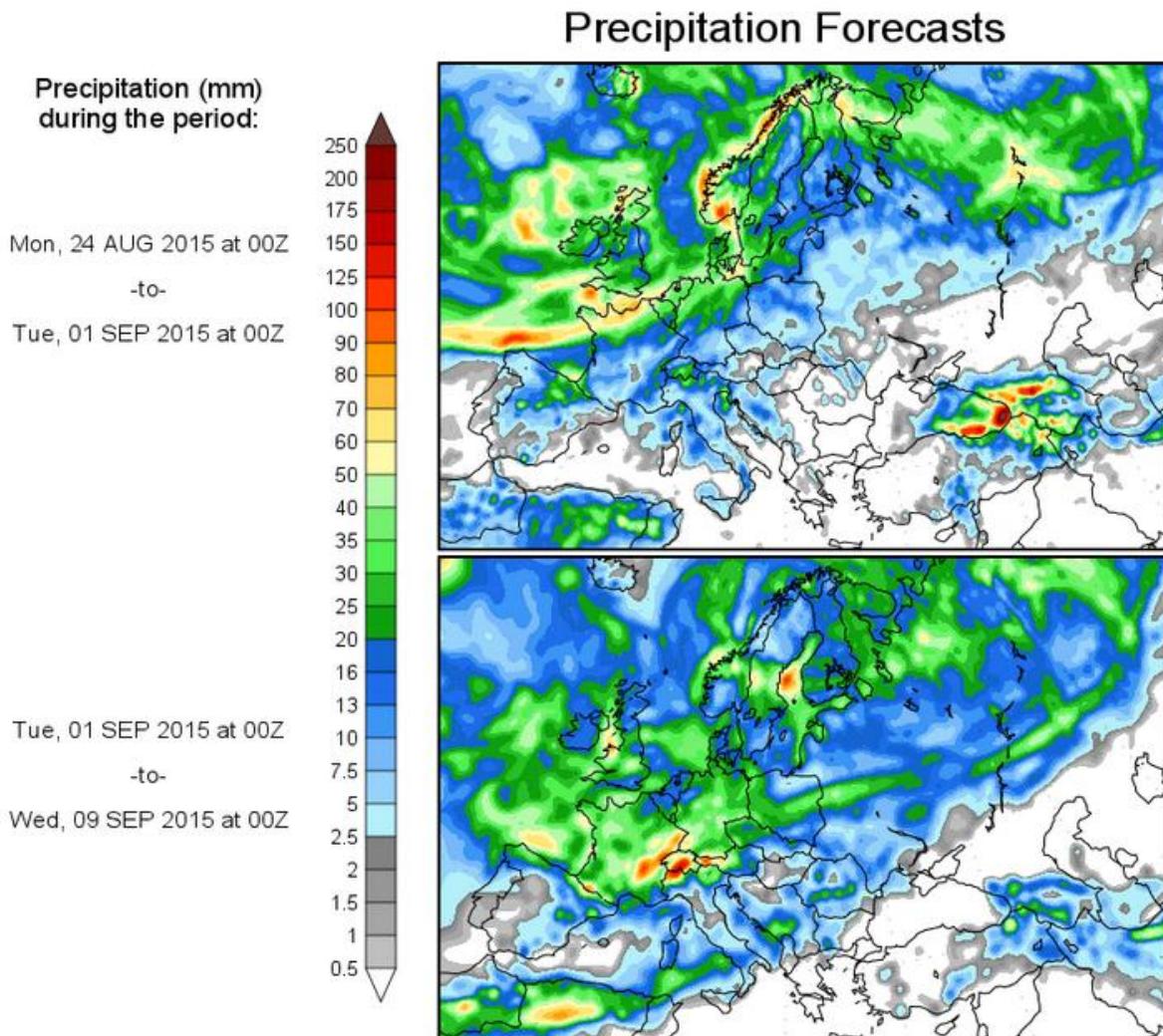
Corn:

South Korea's (NOFI) rejected all offers and made no purchase in tenders that closed on Wednesday for up to 69,000 tonnes of corn and 65,000 tonnes of wheat.

In the Black sea (Ukr) new crop (Oct/Nov/Dec) market ideas far apart, Sellers quoting +65 for oct/nov/dec vs buying ideas around +55. January onwards positions nominally +80/75 vs +65/60.

Hungarian Danube corn FOB levels traded oct/nov positions last week around the 155/156€ level. Basis January traded around 161/160€.

Corn in the Dutch market was extremely quiet last week as the prices were about the same as the price for feedwheat. Jul/sep'16 was traded at 175€.



Wheat:

Jordan's state grain buyer has issued an international tender to purchase 100,000 tonnes of wheat and 100,000 tonnes of feed barley. The origin of the grain is optional.

The deadline is Aug. 25 for wheat offers and Aug. 26 for barley offers.

The wheat was sought for shipment in November and December and the barley for shipment in December and the first half of January

Jordan made no purchases in its previous barley tender and its two previous wheat tenders, with traders citing limited selling interest due to concerns about inspection and payment conditions. The new tender had modified payment terms to allow for letters of credit to be opened before grain was loaded for shipping, offering a better guarantee for the seller. The previous tenders had stipulated a waiting time of up to eight days on arrival of cargoes for additional inspections, with payment to be made only after an inspection report.

Bangladesh's state grains buyer plans to import 950,000 tonnes of wheat in the year to June 2016, up from 300,000 tonnes the previous year, seeking to secure food supplies.

"We will seek wheat with 12.5 percent protein content to ensure quality," said Ilahi Dad Khan, procurement director at the Directorate General of Food.

The announcement came after the Supreme Court questioned the quality of recent Brazilian wheat imports, prompting the state buyer to seek alternative supplies.

Bangladesh depends heavily on imports to feed its poor and keep domestic prices stable.

In 2008, record food prices led to cancellations of wheat import deals and sparked protests in a country where nearly a third of the population lives on less than \$2 a day.

Milling wheat's Fob in Germany and Poland very quiet last week with German levels around 195\$ for 12.5pro and polish around 190\$. With no close buying interest around. Baltic state traded some volume 12.5pro at prices of around 185\$ (most probably Saudi tender covering). The nominal value for Blacksea 12.5protein was around 190\$.

On the Dutch market is was not very active with the market declining every day jan/jun was traded @ 179 and some spot positions were traded low 170's.

Barley:

French barley market new crop last week selling ideas between 180\$ and 185\$ depending on position. Buyers were not really active with business to China lacking (nominal 175\$). For the German barley market new crop was traded at 185/184\$ FOB equivalent. Black sea levels still quoted between 170 and 175\$, depending on position.

South America:

A really quiet week in South America. Weatherwise, the main producing areas of Argentina and South Brasil got some relief after the heavy rains we saw in the previous weeks. Still some areas in Argentina are facing the consequences of the heavy rains with the lower areas flooded but slowly the rivers are coming back to normal levels. In Brazil, the currency also had a rather quiet week after the devaluation of the past weeks and closed rather steady at 3.49. However in the beginning of this week and following world markets, the Real

devaluated 1.5% and ended at 3.555. In Argentina the official exchange rate remained steady but the unofficial rate which is the one which most people use to make their calculations ended also about 2% down at a rate of 15.8. On the political field, a northern Argentine province had its' elections for governor this weekend. Local elections are looked at on a national level to estimate how the presidential candidates will do in October. The government candidate won the elections by 14 points but the opposition is claiming fraud. An image that we will most probably see until end of October.

Premiumwise, the market also was rather steady. Not a lot of business reported throughout the week. In Brasil one cargo changed hands for January shipment in the northern port of Barcarena. Level of this trade was confirmed at +50ch. Further premiums remained offered at +50cz for October and +55cz for November and December in Santos or Tubarao. Buyers were aiming at +40/45cz so still far away. The after cristmass positions were bid at +40ch for January and +45 for February without clear sellers. Argentina did not see too much movement with sellers for OND positions at +38cz and buyers at +28cz. Paraguayan was offered at a discount of 18cents in relation to offered levels without clear demand.

Sunseed/Sunoil:

Ukrainian Sunflower oil started week 34 quietly. While the bid-ask spread was narrowing during the first half of the week, buyer and sellers seemed still unwilling to meet on the October/November/December positions. Especially for the second half of the week CBOT became volatile, both Palm oil and Soy oil markets were weak which made it difficult to motivate buyers. Due to some prior destination-sales there seemed to still be some shorts on the September and 15 September / 15 October positions. With these drops in oils there was activity to cover parts of these positions. 15 September / 15 October was traded at 758 USD on Thursday and 755 USD on Friday. For the full September position there were no sellers seen in the market. For the October position the buyers were still willing to pay round 10USD premium compared to the November/December. However when we reached an offer of 740USD, buyers were unwilling to step in due to the heavy movements from CBOT. For the moment the Blacksea Sunflower oil market is in a clear inverse but there is little inspiration from the destinations which leaves buyers only active at rather conservative levels.

The Sunflower seeds market activity on the Black Sea picked up during week 34. With the Sunflower oil coming down sellers started appearing but still rather keeping firm prices. The week started with some trades at 390USD for September positions and while oils were heavily bearish end of the week recorded a trade at 385USD. During this slight weakening of the Sunflower seeds market, it was difficult to find sellers as farmers were still holding the seeds. Monday of week 35, with CBOT Soybean oil reaching Net Change of -2.00 points, more sellers started appearing and we found offers at 378 USD for September and 382 for October positions.

