

Market report week 28

Corn

This week's corn market is influenced by US weather. CBOT was very volatile, went up 35cts in one week and ends the week 10 cents down again where market is not even sure whether or not this weather is really problematic for the corn crop.

Tender business was there for Korea where Toepfer sold two positions, arrival till 15nov at 243.83 and arrival till 15 Dec at 241.17. An old crop position 1-15 Sep traded at +178.40cz3 for 55k, sold by CJ International.

USDA report did not bring a lot of surprises to the market. In general think it is still a bearish report with more than enough corn in the world.

Black Sea markets are in meantime close to basis levels. +5cz3 we can find some bids, offers are officially at +15cz3 till Dec positions, but most probably a bid at +10cz3 you can be a lucky owner of some corn. By far the cheapest corn in the world right now apart from some interior EU markets like the Dutch paper market which is trading at equivalents of -15/20cz3 FOB.

Constanta traded at 160 - 161EUR, which is 209usd (+8/10cz3). This shows that the EU has to compete with Ukrainian levels to make themselves important in the world corn market. FOB Danube harvest positions went down from 151 to 146EUR, but still at a high level compared to the Constanta market and the Dutch market.

Barley

Barley market came to a standstill, levels around 240USD in EU are the basis for the world barley market. Saudi is bid at 265 and offered at 270usd. Jordan bought one boat in this week's tender at 277.75usd for 1H Dec. The second boat they could not buy which might indicate that the main sellers are satisfied with their current positions, but not really interested to increase. Jordan will tender again next week (July 16th) for 100k, position 2H Dec-Feb.

Japan bought 35k of Canadian barley from Mitsubishi at 246usd FOB.

We believe it will be two weeks of stable price levels before we get another round of harvest selling in Northern parts of Europe. After that, it might be a difficult time for short holders in OCT/NOV position to find cheap offers. EU will have an exportable surplus of about 4 Mmt, but most of it will be done in the first two months of this season. As from December Argentina and Australia have to take over this market.

Wheat

Report showed for wheat lower ending stocks and higher Chinese imports. physical market however not following directly and destination business like into Algeria 450000 mt at usd 269 ciffo still traded at discount. China bought 1 million USA origin and Iran 350000 mt black sea origin.

Quality in Ukraine heading for 50/50 % feed and millingwheat but Russia showing better specs. However only 10 % harvested so long way to go

Feed wheat traded usd 225-227 range fob Black sea and decent volume coming out of Bulgaria/Romania region

11,5 pro millingwheat traded around usd 240 fob and 12,5 pro at usd 245-247 range fob basis august Demand popping up for september-october but more difficult to get decent offers East part of Canada got heavy rains ,rest of the country looking fine