

Report week 44 (2016)

Corn:

A group of Israeli private buyers bought about 120,000 tonnes of optional-origin corn in a tender that closed on Wednesday.

- The group bought the corn at between \$175.39 and \$179 a tonne c&f.
- The group also bought around 10,000 tonnes of optional-origin feed wheat at between \$184.50 and \$185.75 a tonne c&f.
- It also purchased around 26,000 tonnes of feed barley at between \$174 and \$175 a tonne c&f.

If based on supplies from the Black Sea region, the corn had been sought in three consignments for 2016/2017 shipment between Dec. 20 and Jan. 15, between Jan. 20 and Feb. 10 and between Feb. 20 and March 10.

If based on South American supplies, the corn would be shipped 20 days earlier and for the U.S. it would be shipped 15 days earlier.

The feed wheat and barley were both bought for shipment between Jan. 20 and March 10, 2017.

South Korea's (KOCOPIA) purchased about 55,000 tonnes of yellow corn in a tender which closed on Wednesday.

- The corn was purchased at \$192.20 a tonne c&f including surcharge for additional port unloading, they said. The grain is for arrival in South Korea by Feb. 15, 2017. Seller was Deawoo.

Nov/Dec positions are positions are becoming technical in the Blacksea area (FOB Ukraine). Trouble getting the goods to the port, big programs, bad weather etc. 84/85 over traded for 2h nov/1hdec positions, after that offers moved to 90 over for 2hNov and 85 over for Dec positions. J/F/M discussed but no big movement there, nominal value still +75 over march CBOT. New crop OND +55 vs +45 over Dec'17 CBOT.

The Danube is still low on water, so no major new trades on front positions. Oct/Nov traded at levels around 130€. bss January was showing some movement between 136€ and 138€.

On the Dutch market it has been very quiet last week(s), traders are busy with their front position logistics (low water in inland rivers) and not working on new sales.

Wheat:

Egypt's GASC received offers from seven suppliers at its international wheat purchasing tender on Tuesday. GASC is holding a tender for an unspecified amount of wheat from global suppliers for shipment from Dec. 10-20. Traders said the following offers were made in dollars per tonne FOB:

- Olam: 60,000 tonnes Russian at \$193.50
- Cargill: 60,000 tonnes U.S. soft red winter at \$187.00
- ECTP: 60,000 tonnes Russian at \$186.98
- Nidera: 60,000 tonnes Romanian at \$191.49
- ADM: 60,000 tonnes Russian at \$192.50
- Aston: 60,000 tonnes Russian at \$189.97
- Daewoo: 60,000 tonnes Russian at \$190.30

A group of animal feed makers in the Philippines on Friday purchased about 155,000 tonnes of feed wheat to be sourced from optional origins including Australia, the Black Sea region and European Union. The wheat was for February/March 2017 arrival.

- One consignment was purchased at \$188.00 a tonne c&f if sourced from the Black Sea region or European Union or at an alternative price of \$201.16 a tonne c&f if sourced from Australia.
- Another consignment was bought at \$201.50 a tonne c&f and was thought likely to be sourced from Australia.
- A third consignment was also thought likely to be sourced from Australia and was purchased at \$202.50 a tonne c&f.

Blacksea some action noticeable last week in milling wheat. Russian origin 12.5pro trading between 181 and 185 US\$ for Dec'16 till March'17 positions. 11.5pro traded about 5US\$ lower dec/jan positions (but when Indian destination only 1US\$ discount to 12.5pro)

In northern Europe some German cargo's of 12.5pro traded at premiums around +7 over matif for positions nov/dec, most probably destination Algeria and Saudi.

Feed wheat showed some action towards Dutch consumption around 168/169€ for December positions. JFM traded towards consumption around 172€.

Barley:

A group of Israeli private buyers bought around 26,000 tonnes of feed barley between \$174 and \$175 a tonne c&f in a tender that closed on Wednesday. The barley was bought for shipment between Jan. 20 and March 10, 2017.

German delivered barley market traded last week around levels of 142/143€ for bss october (around 164/165US\$ FOB eq.)

On the Dutch market it was quiet on barley.

South America

The peso started the week at 15.2 even though it gained some value over the week it ended similar as it started. The real started at 3.1948 and ended the week losing some value, quoted at 3.2307. Cristina Kirchner, Argentinean former president, attended the court in order to defend herself for being accused of corruption. Some people believe that, with Lazaro Baez and Julio Lopez in prison, it is only a matter of time for Cristina to join them. On the other hand, you also have people still showing full support to her. Thousands of people were waiting for her outside the court. They argue that the judicial cases against Cristina are just in order to take away the attention from the economic situation in the country. The result of the second round of the elections for local governments in Brazil showed once again the PT (political party from Lula and Dilma) as the big loser. Apart from the defeat of the PT the other results did not really show a clear winning party. Another interesting fact from the elections were the quantity of people that didn't and/or canceled their vote. In some cities the percentage of both together was even higher than the percentage of the candidate that won.

The Buenos Aires grain exchange reported that 38.7% of the corn is already planted. The rhythm has decreased drastically due to the rains of the last weeks. The wheat has a total of 4.8% harvested, mainly in the north. The yield is not as it is expected but so far this data is insignificant with such small area covered. Therefor the exchange keeps total production at 12.500.000 mt (which is abt 1.5-2 million below general consensus). On the corn market, November was offered at +95cz. Demand was mainly looking on the new crop for panamax size. Sellers were indicating +50 for March, 43 for April/ May, June at +35 and July/ August/ September in the low 30's. Regarding the wheat, some business were registered last week for 12% prot , a December was traded at 167.5 and January at 169. Offers remained at 168/170/174 for December/ January/ February respectively.

On the Brazilian corn market, premiums started to decrease willing for demand to react but nothing until now. Sellers were indicating +55cu for August and +50 for September. On the container business, prices for sbm hipro for the new crop were still not attractive for demand. Yangon was offered above +100 for February shipment while demand looking at values next to +70 from US origin. With the crop of soybeans that we expect for Brazil we can expect prices to start decreasing.

Sunseed/Sunoil

The Ukrainian Sunflower oil market calmed down quickly after CBOT stopped making jumps. With few slow days at destination the market showed that crushers were still well covered and there was still enough Sunflower oil in the market to cover current shorts. The most liquid positions being January/February/March showed offers moving from 780USD down to 765USD in order to catch some buyers. Also the market kept heavy on the front and shows bother consumers bidding as crushers offering the December at even level to the JFM. On the November due to liquidity there were still some opportunities to find a premium but also this got down to just a few USD. So the overall market is looking rather flat with trade offering April/May/June positions at carry. Which might turn the DJFM to a carry at some point aswell.

The Blacksea Sunflower seeds market is not moving much. Seems even with oil showing some weakness the seeds market is remaining rather firm still. Origination not pushing to sell so there is mostly trade offering December/January position at 410USD Fob Constanta. As CPT market is still trading at FOB value of 405USD most suppliers don't show much on the FOB market. Buyers otherwise improving from last week but not getting much better than 400usd throughout the week.

