

Report week 36

Corn:

South Korea's (MFG) purchased 204,000 tonnes of optional-origin corn in a tender which closed on Wednesday. The corn was sought in three consignments for February 2016 arrival. The corn was likely to be sourced from the U.S. Gulf or South America.

- Some 69,000 tonnes of corn for Feb. 5 arrival was purchased at \$185.45 a tonne c&f plus a \$1.25 per tonne surcharge for additional port unloading. (seller Mitsubishi)
- A further 70,000 tonnes was purchased for Feb. 15 arrival at \$186.20 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading. (seller Glencore)
- Another 65,000 tonnes was purchased for Feb. 25 arrival at \$187.50 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading (seller Concordia)

Korea's (KFA) purchased about 61,000 tonnes of yellow corn to be sourced optionally from the U.S. Gulf or South America in a tender which closed on Friday.

- The corn was purchased by the KFA's Busan section at \$184.90 a tonne c&f plus a \$1.50 per tonne surcharge for additional port unloading for arrival around March 5, 2016. Seller was CHS.

In the Black sea (Ukr) it was very quiet last week with sellers showing +55 for pre-Christmas positions but buyers indicating +45 levels, if any. January onwards positions nominally +65 vs +55.

Hungarian Danube corn FOB levels traded oct/nov positions last week between 147 and 145€ level. Basis January traded between 150 and 151€.

Corn in the Dutch market was not too active last week. Prices were considered too expensive compared to feed wheat and no new consumer business was reported.

Wheat:

Jordan's state grain buyer has issued two international tenders to purchase 100,000 tonnes of hard milling wheat and 100,000 tonnes of feed barley both to be sourced from optional origins. Tender deadline for the wheat is Sept. 8 and deadline for the barley is Sept. 9.

Milling wheat's Fob in Germany and Poland very quiet last week with German levels around 190\$ for 12.5pro and polish around 185\$. With no close buying interest around. The nominal value for Black sea 12.5protein was around 180\$. 11.5pro quoted around 10\$ below that. Algeria tender traded between 195 and 198\$ CIF. This was at the time of the tender based on Baltic replacement around -19/-20 under matif.

On the Dutch market at the end of last week some movement on the feed wheat with front positions sep/oct being solved in the low 160€ levels. Jan/jun physical delivery traded at 173€.

Barley:

French barley market traded last week between 175 and 170\$ depending on position but all pre-Christmas. For the German barley market new crop was traded at 175\$ FOB equivalent in the delivered interior market. For a September real FOB position even 170/169\$ was traded by first hand in Germany. Saudi Sellers and SGAF himself were active in the market last week. Black sea levels still quoted around 175\$, depending on position. Saudi bought some cargo's around 199\$ CIF.

Dutch market traded October paper positions around 155/154€.

South America:

Economically, South America did accompany in a general consensus with world markets and mainly with the primary trade partner of the region, China. It was most felt in exchange rates. The Brazilian real devaluated sharply with about 6,5% over a week to 3,83. It is the lowest since 2002 when the real slightly touched the 4, but on the other side, has the devaluation now come to an end?? In Argentina, the official currency lost its weekly one to two cents but the unofficial currency slightly touched the 16 after which the controls by the government against this parallel currency were sharpened again.

Climate was rather beneficial for the region. Weather is looking good for the corn plantings and the wheat and barley, which are currently in their final growing stage, seem ok as well. The forecast is showing some rains, but nothing excessive. However this week talks about the strongest el nino in years came across the market again.

On the premiums, in Brazil it was a rather quiet week with several sellers and very few buyers. Apart from the Korea Tender which was most probably based on South American corn (calculating abt 50cz for Brazilian ports), no other demand popped up. Offer levels were all week long between 50 and 55 for the ond positions. The more forward positions were once again a bit more offered with sellers at 33cu for Aug16 Sts/Tub and 25 for September. A little bit more movement in the River Plate and southern Argentina where Paraguayan 15/9-10 traded at 16cz, Necochea october at 32cz and Bahia Blanca October 47cz. November up river changed hands at 38cz. At the end of the week, the sep was offered at 38cz and nov/dec at 42cz.