

Report week 5 (2017)

Corn:

Blacksea was showing quite some action out of Russia/Ukraine. Feb positions traded out of Ukr at 65 over (march CBOT), march traded around 168/169US\$ level over (march CBOT). Aprtraded at 170/171US\$ levels. New crop some nov positions traded around +38/39 over CBOT dec.

On the Danube very little activity noticeable with part of the river still frozen. Nominal values 140 bss feb or march, 145 new crop bss oct.

On the Dutch market we have seen very little activity. Some new crop discussions around 170€ but no big movement.

Wheat:

Algeria's state grains agency OAIC bought 585,000 tonnes of optional-origin milling wheat in a tender that closed on Wednesday.

Prices paid ranged from \$203 and \$207 a tonne, cost and freight included, and shipment was for April. Sellers were said to

Origins were likely to include U.S. hard red winter (HRW) and the European Union, including France, Germany and Baltic countries.

An Ethiopian government tender to buy 400,000 tonnes of wheat which closed on Tuesday received a lowest offer of \$219.68 per tonne c&f for the May shipment consignment.

The tender sought optional origin but it is thought the lowest offer was for wheat sourced from the Black Sea region. No purchase had yet been made and negotiations continue, they said. Some 10 trading houses took part in the tender.

The wheat is sought by Ethiopia's Public Procurement and Property Disposal Service (PPPDS) in three shipment consignments of 133,333 tonnes each. The first is scheduled for March, the second for April and the third for May.

- Offers for the March consignment were in a range of \$223.68 to around \$249 a tonne c&f.
- Offers for the April consignment were in a range between about \$224 to around \$246 a tonne c&f.
- Offers for the May consignment were in a range of \$219.68 to around \$241 a tonne c&f.

The United Nations' Food and Agriculture Organisation warned in December that close to 12 million people across Ethiopia, Kenya and Somalia were in need of food assistance as farmers struggled with the knock-on effects of repeated droughts in the region.

Ethiopia made a series of very large wheat purchases between October 2015 and April 2016 after drought damaged crops.

Jordan's state grain buyer has issued new international tenders to purchase 100,000 tonnes of hard milling wheat and 50,000 tonnes of animal feed barley both to be sourced from optional origins. Deadline for the wheat tender is Feb. 21 and deadline for the barley tender is Feb. 22. The Middle Eastern importer has been struggling to import wheat and barley in past months after changed terms on quality control and payment were introduced which reduced participation by international trading houses.

Blacksea 12.5pro (russian) showed some movement for FM between 188 and 186US\$ with the front positions big prices being paid by washouts or traders in squeeze to get some goods delivered. AMJ positions we have seen the offers around 185/184US\$ but buyers not too keen to pay these prices yet

Dutch market showed some trades at all current crop positions (spot till june) at levels around 175€. New crop was showing little movement, trades reported around 168/167€.

Barley:

Saudi (SAGO) said on Monday it bought 1.5 million tonnes of animal feed barley in a tender, its second such purchase since it assumed responsibility for the process in October.

The purchase is divided into 25 cargoes for shipment from March to May. A total of 22 companies participated in the tender. The accepted origins were Australia, South America, European Union and Black Sea, at the seller's option. The details of the purchase were as follows:

Red Sea Ports cost and freight (C&F):

Arrival March 15-30

- 60,000 tonnes from ADM Hellas at \$189.41
- 60,000 tonnes from Union Invivo at \$191.12
- 60,000 tonnes from Cargill at \$193.00
- 60,000 tonnes from Holbud Limited at \$193.65
- 60,000 tonnes from Holbud Limited at \$193.99

Arrival April 1-15

- 60,000 tonnes from Casillo Group at \$189.91
- 60,000 tonnes from Union Invivo at \$191.58
- 60,000 tonnes from ADM Hellas at \$191.91
- 60,000 tonnes from Casillo Group at \$191.91
- 60,000 tonnes from Glencore at \$192.88

Arrival April 15-30

- 60,000 tonnes from ADM Hellas at \$187.81
- 60,000 tonnes from Casillo Group at \$187.92
- 60,000 tonnes from Holbud Limited at \$189.35
- 60,000 tonnes from Holbud Limited at \$189.88
- 60,000 tonnes from Casillo Group at \$189.92

Arrival May 1-15

- 60,000 tonnes from ADM Hellas at \$185.81
- 60,000 tonnes from Grain Corp at \$188.00
- 60,000 tonnes from Holbud Limited at \$188.45
- 60,000 tonnes from Concordia PTE LTD at \$188.80

- 60,000 tonnes from Holbud Limited at \$188.95

Gulf Ports (C&F):

Arrival March 15-30

- 60,000 tonnes from Glencore at \$194.88
- 60,000MT feed Barley from Glencore at \$195.88

Arrival April 1-15

- 60,000 tonnes from Casillo Group at \$188.93

Arrival April 15-30

- 60,000 tonnes from Casillo Group at \$190.93
- 60,000 tonnes from Cofco Resources at \$192.57

Barley traded in the German delivered market at FOB 165US\$ for February position. Also equivalent of this price traded in the delivered interior market.

On the Dutch market we have seen some movement on the front positions march around 157/158€. August positions started trading at levels around 151/152€.

Sunseed/Sunoil

The Ukrainian Sunflower oil market coming back again from last weeks weakness. With again bit of support on CBOT the lowest trade recorded was at 758USD. After this it moved up with March/April/May/June positions trading at 762/3USD. The most liquid position for the moment is the March as shorts on February are mostly covered and new demand is staying quiet. Seems there is a clear support in the market again at 755USD and resistance at 765USD between which the market keeps moving. As long as the spot market is well supplied buyers are not ready to move to new high. On the other hand however the Sunflowerseeds market is still illiquid in Ukraine making it difficult for sellers to move further down. Starting week 6 the range is still there. Crushers found at 765USD offering March/April/May/June against buyers at 755USD.

The Blacksea Sunflower seeds market again doesn't show much changes from last week. Again 399USD is the best seller we have seen for March against the best buyer at 392USD. It feels as if the sellers are more willing to show some offers but while active in large numbers still not willing to break down to lower levels.

