

Report week 30

Corn:

South Korea's (FLC) purchased 69,000 tonnes of optional-origin corn in a direct non-tender deal on Thursday

- The corn was purchased at \$195.87 a tonne c&f plus a \$1.25 a tonne surcharge for extra port unloading, seller was Glencore. It was purchased for arrival in January 2016

Taiwan's MFIG has purchased 130,000 tonnes of yellow corn to be sourced from Brazil in an international tender which closed on Thursday. The tender had sought corn from the United States, Brazil, Argentina or South Africa for shipment from October to December.

- A first consignment of 65,000 tonnes was purchased at a premium of 92.90 U.S. cents a bushel c&f over the Chicago December 2015 corn contract CZ5. It was for shipment from Brazil for Oct. 23 to Nov. 11
- Another 65,000 tonnes was purchased at a premium of 81.90 U.S. cents a bushel c&f over the Chicago March 2016 corn contract CH6. It was for shipment from Brazil for Nov. 12 to Dec. 1

Brazilian corn dominated offers in the tender. No offers for U.S. or South African corn were made. One offer for 65,000 tonnes of Argentine corn was made at a premium of 100.50 U.S. cents a bushel c&f over the Chicago December contract for Oct. 23 to Nov. 11 shipment.

South Korea's (KOCOPIA) purchased about 55,000 tonnes of optional U.S., Brazilian or Argentine origin corn in a tender which closed on Wednesday.

- The corn was purchased at \$203.96 a tonne c&f including a surcharge for unloading at a second port. The corn had been sought for Nov. 15 arrival. Seller was Bunge.

South Korea's (MFG) has issued an international tender to purchase up to 70,000 tonnes of yellow corn. The tender's deadline is July 28. The corn can be sourced optionally from the United States, South America, South Africa or Eastern Europe. It was sought in two shipment periods, one for arrival around Dec 30, 2015, and the other for arrival around Jan. 10, 2016.

In the Black sea (Ukr) new crop (Oct/Nov/Dec) traded last week between +42 and +47 depending on position. January onwards positions were too far apart with buying interest around +45 but best sellers indicating +60/+55.

Hungarian Danube corn FOB levels traded oct/nov positions last week around 155/156€. Basis January traded between 159€ and 160€. Hungary was hot and dry last week but some lower temperatures are expected coming week and some rain as well. Still market is hesitant to sell big quantities.

On the Dutch market some trades were done on the corn last week. Old crop aug/sep @183€, New crop oct/dec with 180€, Jan/march traded 184€ and jan/jun between 185 and 183€.

Wheat:

Egypt's (GASC), has bought 175,000 tonnes of Russian wheat in a tender for Sept. 1-10 shipment. GASC bought the wheat at an average price of \$205.37 a tonne cost and freight Traders gave the following breakdown of the purchase:

- 55,000 tonnes from Bunge at \$193.75 a tonne (fob) and \$12.98 a tonne freight
- 60,000 tonnes from Bunge at \$195 a tonne fob and \$9.25 a tonne freight
- 60,000 tonnes from Union at \$196 a tonne fob and \$9.25 a tonne freight

A large chunk of Algeria's hefty 11.5pro milling wheat purchases for September and October shipment will come from Baltic States instead of traditional supplier France which has become uncompetitive; another part will come from Sweden and Poland. The main North African buyer tenders for optional origin wheat. Operators had already turned to Germany, Poland and Sweden last season to pare for a drop in quality in the rain-soaked French crop. The main reasons for the rare purchase of Baltic wheat would be a lack of international demand for the high-protein wheat grown in the region.

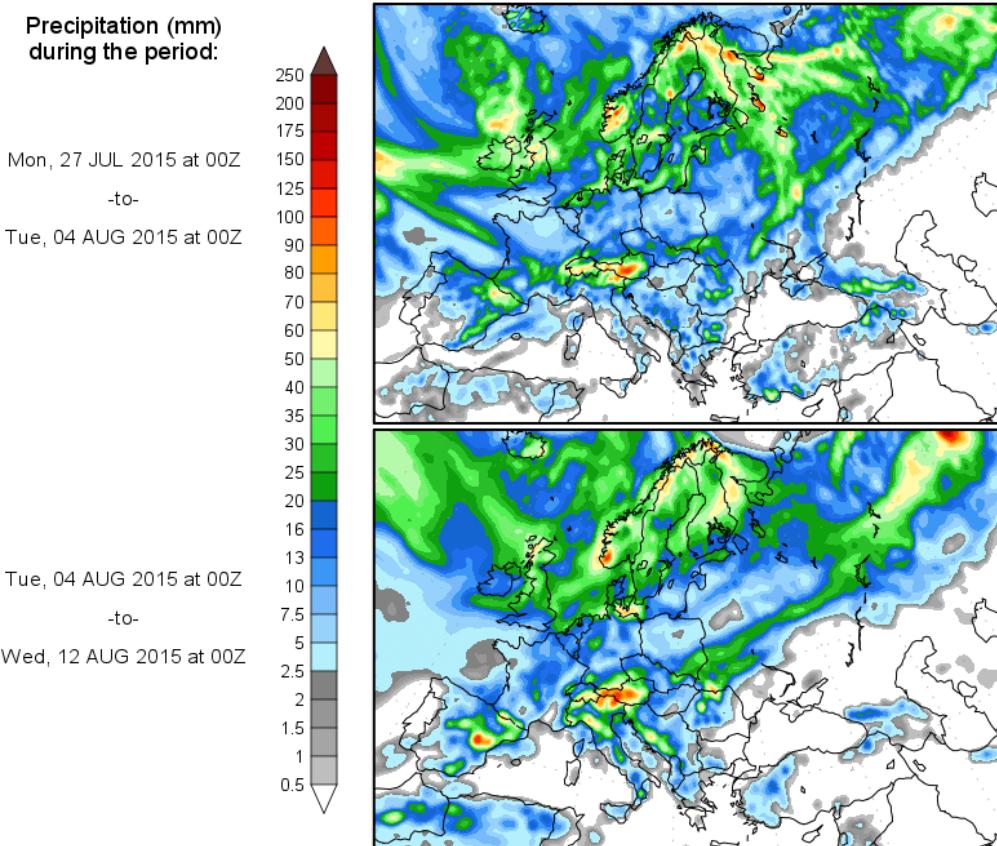
German milling wheat 12.5pro quoted sellers around +5 vs buyers around +2 for basis sep until march positions. Buyers are betting on a sharp decline of the MATIF or a €/\$ @ 1:1 as these prices do not calculate into any destination yet. Polish selling levels for the same position is even matif and Baltic around -3 premium vs MATIF.

Russian milling wheat traded spot 196\$ and 2h August at 195\$, after the drop of Chicago at the end of the week sellers were lowering the selling ideas to 192\$ Aug/195\$ Sep/200\$ oct.

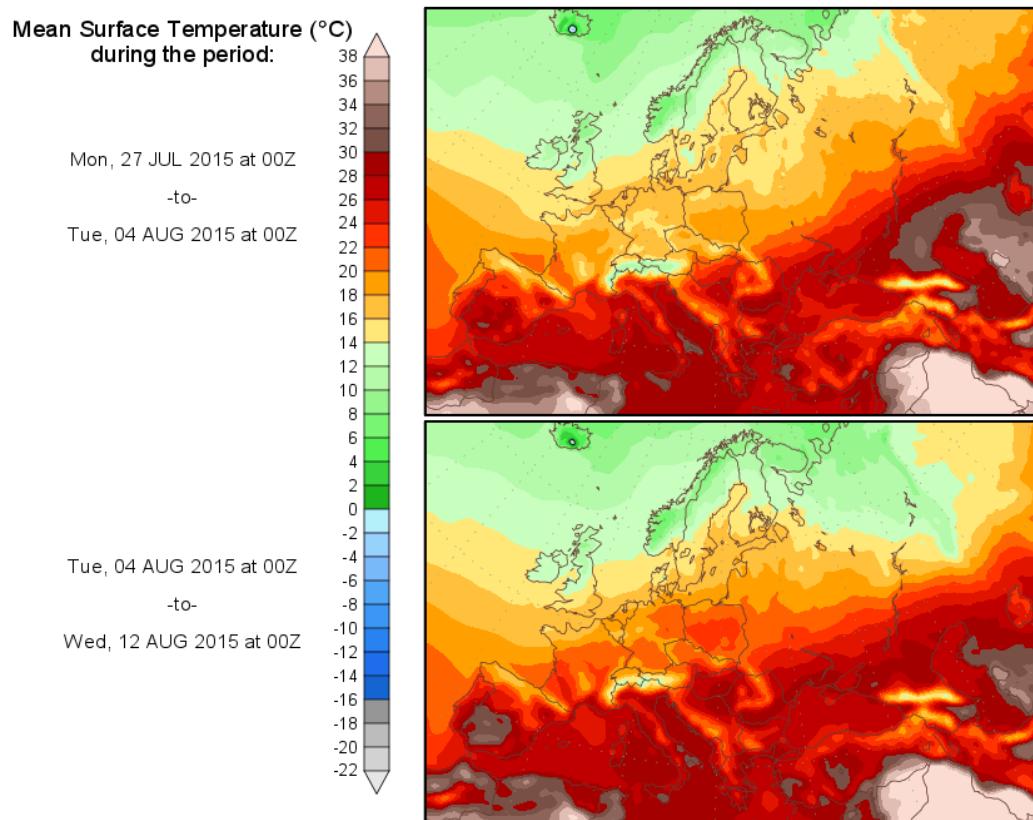
The Iranian government has imposed an import duty on wheat and barley
The wheat duty, calculated in Iranian rials, equates to about \$45 to \$50 a tonne, a level which means wheat imports are not seen as commercially feasible. The import duty shows that Iran does not have a pressing import need in the near term and is in a relaxed enough supply position to support its farmers by reducing imports. It also indicates that large wheat import purchases are not to be expected from Iran following the big nuclear agreement.

Feed wheat Dutch market some activity noticeable last week. Sep/dec positions traded between 185 and 187€ depending on position. Jan/mrt traded 187€ and jan/jun @ 189€. Traders are closely monitoring the next 2 weeks weather-wise as these rains/storms in northwest Europe might change some milling quality to feed.

Precipitation Forecasts



Temperature Forecasts



Barley:

Jordan's state grain buyer has issued an international tender to purchase 100,000 tonnes of animal feed barley to be sourced from optional origins. The tender deadline is Aug. 4

The barley is sought in a range of shipment combinations in 50,000 tonne consignments between Nov. 1 and Dec. 15. Barley was sought from the 2014 or 2015 harvests.

In its last reported barley tender on Apr. 9, Jordan purchased 100,000 tonnes from optional origins.

French barley market new crop last week selling ideas 200\$ but buyers indicating 195\$. For the German barley market new crop nominal values were around 192US\$. The delivered market in Germany keeps on being active with buyers locking in a favourable premium compared to matif.

Dutch market traded sep/dec positions at 173€ and jan/jun @ 177€

Sunseed/Sunoil:

Ukrainian Sunflower oil was quiet during the start of week 30. This was mainly caused by the lack of sellers on old crop. While buyers were concentrating to buy some August there were no sellers competing to sell. Market started the week by showing offers at 845 USD and bids at 810 USD for August Sunflower oil. For this position there were some big shorts in the market but with old crop Ukrainian SFS being offered in small volume there was no new Sunflower oil coming to the market. This led to buyers moving up to trade 830+ USD levels during the first half of the week. Even 840+ USD levels during the second half of the week were paid for some 20.000mt due to demand coming from Iran.

The November/December positions also became more active with the bid-ask spread becoming 10 USD towards the second half of the week. Offers at sharpest moved to 760 USD against 750 USD bids. With great crop expectations in Ukraine and CBOT Soybean oil moving down and creating a 100+ USD spread between Ukrainian Sunflower oil and Argentinian Soybean oil sellers staid proud. Surprisingly enough also the buyers held the bids. These factors however, with some delay, seem to be reflected in the price during the Monday of week 31. Sunflower oil lost 15/20 USD on the offering side and started the week with November/December offered 745 USD and bid 735 USD.

The Sunflower seeds market activity on the Black Sea was still same as during the previous week. Biggest focus was on the new crop October position which was showing a rather active buying side. While the Sunflower oil was not moving the buyers were able to pay better prices from the last trade.

Traders paid 410 USD in order to put some new crop Sunflower seeds in the books. On the Monday of week 31 the sellers kept the target unchanged and wanted to make the 410 USD in order to trade. While Sunflower oil is clearly losing ground the Sunflower seeds don't show much weakness.

