

Report week 15 (2016)

Corn:

In the Black Sea (Ukr) corn market it was very active last week with weather worries in South America and talks about a risk of import levy into Europe at the start of the week. Old crop traded last week around 170-172 US\$ FOB. New crop nov/dec positions traded in big quantities between 45 and 50 over dec CBOT, depending on position and handy/panamax size.

Hungarian Danube corn FOB levels oct/nov nominally 140€. Basis January the nominal value is around 143€.

Again some corn traded towards Spain, but with the rise of prices in the origin (blacksea) June/July positions traded at levels around 157/158€ cif Span-med. January positions were discussed 156/155€ vs 153€.

The Dutch market rather quiet, allot of talks about a potential levy to come at the start of the week. This made sellers hesitant to sell and buyers were not ready to follow the price ideas that were 2-3€ higher than the week before.

Wheat:

Egypt's GASC bought 120,000 tonnes of Romanian wheat and 55,000 tonnes of Ukraine wheat. With the following breakdown of the purchase:

- 60,000 tonnes of Romanian wheat from Ameropa at \$185.62 a tonne free-on-board (FOB) and \$6.56 a tonne freight from Ameropa equating to \$192.18 a tonne cost and freight (C&F)
- 60,000 tonnes of Romanian wheat from Ameropa at \$185.62 a tonne FOB and \$6.56 a tonne freight from Ameropa equating to \$192.18 a tonne C&F
- 55,000 tonnes of Ukraine wheat from Venus at \$178.91 a tonne FOB and \$13.09 a tonne freight from National Navigation Company equating to \$192 a tonne C&F

Tunisia's state grains agency purchased around 100,000 tonnes of milling wheat and about 100,000 tonnes of feed barley all to be sourced from optional origins. The wheat had been sought for shipment between July 15 to Sept. 25 and the barley between June 15 to Aug. 25, depending on origin.

- The wheat was bought in four 25,000 tonne consignments at \$179.60, \$179.61, \$179.74 and \$180.74 a tonne c&f. seller was Nidera

Importers in Thailand have issued an international tender to purchase at least 162,600 tonnes of feed wheat from optional origins. The tender closes on April 21.

The wheat is sought in three consignments, with one consignment for shipment in the full month October, the second in the full month of November and the third in the full month of December.

The Ethiopian government has issued another international wheat purchase tender this time for 60,000 tonnes of milling wheat. The tender deadline is April 28. The latest invitation is in addition to a tender for 70,000 tonnes of wheat which closes on April 21.

A group of animal feed makers in the Philippines has issued an international tender to purchase up to 150,000 tonnes of feed wheat. Tender deadline is April 20.

- Some 50,000 tonnes was sought for shipment between June 23-July 13 if sourced from the Black Sea region or European Union, or between July 13-Aug. 2 if sourced from Australia.
- Another 50,000 tonnes was sought for shipment between July 14 and Aug. 3 if sourced from the Black Sea region or European Union, or for Aug. 3-23 if sourced from Australia.
- Another 50,000 tonnes was sought for shipment for Aug. 4-24 if sourced from the Black Sea region or European Union, or for Aug. 24-Sep. 13 from Australia.

The Philippines group had been negotiating about buying feed wheat last week but made no purchase.

South Korea's (MFG) purchased 60,000 tonnes of feed wheat which can be sourced from any optional origins worldwide apart from Denmark and South America in a private deal late last week.

- The group made the purchase on April 14 at \$179.90 a tonne c&f. There is an extra \$1.20 a tonne surcharge for additional port unloading. The wheat is for arrival in Korea around Oct. 10. Seller was said to be trading house CJ International.

12.5 pro out of Northern Europe is getting tight in supply so premiums for German origin may/jun positions moving towards +12/11 (185/187US\$ equivalent). New crop German (sep/dec) traded at even matif December last week. Polish same position -2 offered but less interest in these goods. Russian market traded old crop May/Jun at 185/6US\$ FOB. New crop traded new crop @ 175 US\$ from local suppliers. If you talk to first class international suppliers, they are asking around 180US\$.

Feed wheat traded out of Constanta for the new crop (September) at a price of 148.5€ FOB

Feed wheat in the Dutch market was calm. Spot positions were traded at 149€ at the beginning of the week and 159€ for sep/dec positions.

Barley:

Tunisia's state grains agency purchased around 100,000 tonnes of feed barley to be sourced from optional origins. The wheat had been sought for shipment between June 15 to Aug. 25, depending on origin.

- The barley was all bought at \$158.77 a tonne c&f. seller was Bunge.

Despite the above mentioned tender outcome, new crop Saudi market still trading between 168 and 169US\$ for august positions, further buyers to be found there, but next sellers more around the 172US\$ levels.

For the German barley market the delivered new crop basis September traded around levels of 147€ last week all around the FOB equivalent of 173/4US\$ and premiums compared to matif of -19 to -21.

Dutch market old crop some consumer pricing for front positions (may) around 148/149€ levels

South America

Argentina started the week with its currency at 14.575 and ended it gaining some value at 14.2. From the Brazilian side, the real started the week at 3.4962 and finished it rather stable at 3.52730. On Wednesday, Cristina Fernández de Kirchner showed up at the court to testify about the investigation that is going on about the sale of very cheap dollars that caused a big prejudice to the central bank. On the Brazilian side, the ministry of agriculture proposed to take off the import tax for corn. This decision could be taken in order to bring the local prices down.

On Tuesday, USDA came out with WASDE report. They increased their estimation for Argentinian corn production to 28 million tons. However, local prices didn't reflect such high numbers. The constant rains during last week created difficulties for the farmers to get into fields. This generates a delay in the delivery of the product to the port. Therefore, this will increase the lineup for April. There was a trade for May delivery at +65ck but it was a resale of a paper. Not much open values shown last week, but as nominal values we could say that buyers could be found at +55cn for June, +50cn for July and last but not least, +45cu for August.

On the Brazilian side, the weather is also being an issue. The dryness worries the people, but if it will rain by or around the beginning of May the situation shouldn't be critical. Nevertheless this is something to bear in mind. On the corn market, sellers for August/September were indicating +55cu, with a business done for September at that value. Moving forward to October they were quoting +50cz. For November and December no offers were found with buyers at mid 40's for Santos only.

Precipitation forecast South America

