

Report week 3

Corn:

Taiwan's MFIG has purchased 50,000 tonnes of corn likely to be sourced from the United States in an international tender which closed on Tuesday

- Some 45,015 tonnes was purchased at a basis price involving a premium of 143.43 U.S. cents a bushel c&f over the Chicago May 2015 corn contract CK5
- The rest was purchased at the outright price of \$218.07 a tonne c&f. Seller was Cargill

The tender had sought up to 60,000 tonnes from the U.S. Gulf, Brazil or Argentina for shipment between Feb. 25 to March 17.

Alternatively, if sourced from the U.S. Pacific North West coast or South Africa, shipment was sought between March 13 to April 1.

A group of Israeli private buyers purchased about 100,000 tonnes of optional-origin corn likely to be sourced from Ukraine in a tender for the same volume which closed on Tuesday

- One 50,000 tonne consignment was purchased at \$192.25 a tonne c&f
- A second consignment of about the same size was purchased at \$193.25 a tonne c&f

If sourced from the Black Sea, the tender had sought shipment in two consignments, one between Mar. 15 to Apr. 5 and the other between Apr. 15 to May 5

South Korea's Korea Corn Processing Industry Association (KOCOPIA) purchased about 50,000 tonnes of corn in a tender on Wednesday thought likely to be sourced from the United States

- Price was \$214.70 a tonne c&f including surcharge for unloading at a second port. The corn was for shipment from the U.S. Pacific North West coast between Apr. 5-25 or from the U.S. Gulf between Mar. 15 to Apr. 5 with arrival in South Korea around May 10

Turkey's state grain agency TMO bought 100,000 tonnes of animal feed corn in an import tender that closed on Thursday. TMO had been seeking to purchase up to 100,000 tonnes in the tender to cover shipment periods in February and March, and spread between three destination ports.

The tender purchase is the latest in a series of import deals by Turkey in recent months following a poor harvest. Nidera was the sole seller of the corn

- For the Feb. 2-28 shipment period, it sold 20,000 tonnes at \$193.24 a tonne, cost and freight, for Derince port, and two consignments of 15,000 tonnes at \$193.74 a tonne c&f for Izmir port.
- For the Mar. 2-28 shipment period, the trading house sold 20,000 tonnes at \$194.74 a tonne c&f for Bandirma port, and two consignments of 15,000 tonnes at \$194.94 a tonne c&f for Izmir.

Black sea positions were offered last week between the 180 and 182 US\$ level with a trade reported at 179US\$, new crop traded around 188\$ (nov) and further premiums quoted +75 vs +65 selling side. Constanta quoted last week selling side around the 158 vs buying ideas around 154 €.

Hungarian Danube was a pretty active market last week, helped by the decline of the €/\$. Trades of paper terms (no DON guarantee) were between the 126 and 128€ level and corn with DON level guarantees (max 4000ppb) traded around the 136€ level.

On the Dutch market there was some noticeable activity as well with feb/mrt positions trading at 163/164€. April/June was traded at 165/166€ and jul/sep around 170€. New crop (oct/dec) some small volume was traded around 171/172€ level. The price levels in the Dutch market are still based on French replacement although Hungarian origin is close to replacement calculation as well, but the Danube River is less favourable for shippers because of volatile water level fluctuations.

Wheat:

Egypt's (GASC) bought on Thursday 240,000 tonnes of French wheat in a tender for shipment Feb. 19-28. With the following breakdown of the purchase:

- 60000 tonnes from Cargill at \$241.50 a tonne fob and \$13.75 a tonne freight
- 60000 tonnes from Soufflet at \$242.25 a tonne fob and \$13.43 a tonne freight
- 60000 tonnes from Granit at \$242.99 a tonne fob and \$13.75 a tonne freight
- 60000 tonnes from Lecureur at \$242.99 a tonne fob and \$13.75 a tonne freight

It was the third straight GASC tender in which the agency bought large quantities of French wheat. Egypt bought 180,000 tonnes on Jan. 8 and 240,000 tonnes on Dec. 20.

Strong demand from Egypt has boosted French wheat sales outside the European Union since Russia announced informal grain export curbs in an attempt to cool domestic grain prices and constrain food inflation, because of this situation Russian offers were absent in Thursday's tender.

Because of the situation in Russia the market is searching for alternative origins to supply protein wheat. 12.5protein wheat trading last week in the northern part of Europe (FOB) around the following premiums compared to MATIF march: +24 German / +17-16 Polish-Baltic for March positions.

Feedwheat Dutch market not too active with some front positions (feb/mrt) traded at 179/180€. New crop remains -5/6 vs -10/9 und matif December.

Barley:

French barley levels compared to the German market still relatively firm, French nominal value around 225 US\$ FOB where German market is around 15\$ cheaper. Black sea around \$220 and argentine quoted also 220\$ FOB. Market in barley was not very active last week. Maybe this week we will have some more guidance with some destinations in the market for barley.

Sunseed/Sunoil:

While Argentinian Soybean oil was showing a spread of more than 100USD between January/February and May/June/July positions, sellers for Blacksea Sunflower oil only discounted April/May/June by 25 USD over February/March. February/March was offered at 820USD and April/May/June at 795 USD. After the USDA report (Monday 12th of January 2015) prices decreased, which made some trades possible the following days at 810USD and even slightly higher for positions February/March. Due to tight margins the crush was showing a strong resistance to prices below 815USD, making most activity this week come from trading houses.

The Sunflowerseeds market on the Blacksea was not very active during the entire week. The selling side maintained prices from last week with best offer seen slightly below 440USD for the February position. Due to tight margins the crush was looking to find some Sunflowerseeds but not paying better than 420. Due to some short covering the trade was paying better prices which resulted in a negotiation where 430 was bid and 435 offered.