

# Report week 31

## Corn:

South Korea's (MFG) purchased 139,000 tonnes of optional-origin corn in a tender which closed on Tuesday. The tender had sought corn sourced optionally from the United States, South America, South Africa or east Europe.

- 69,000 tonnes of corn for arrival around Dec. 30, 2015 was purchased at \$186.69 plus a \$1.50 a tonne surcharge for additional port unloading, seller was Bunge
- A further 70,000 tonnes for arrival around Jan. 10, 2016, was purchased at \$187.90 plus a \$1.25 a tonne surcharge for additional port unloading, seller was CJ IA.

South Korea's (FLC) purchased 68,000 tonnes of optional-origin corn in a direct non-tender deal late on Tuesday. It was for arrival in South Korea around Jan. 5, 2016.

- The corn was purchased at \$186.60 a tonne c&f plus a \$1.25 a tonne surcharge for extra port unloading, seller was ADM.

South Korea's (NOFI) purchased some 136,000 tonnes of optional-origin corn in an international tender which closed on Thursday. NOFI rejected all offers and made no purchase of 55,000 tonnes of worldwide origin feed wheat also sought in the tender. The corn was sought in two consignments.

- The first consignment of 68,000 tonnes was purchased at \$184.49 a tonne c&f for arrival in South Korea around Jan. 20, 2016
- The second consignment of 68,000 tonnes was purchased at \$185.00 for around Jan. 31, 2016. Both have an additional \$1.25 a tonne surcharge for additional port unloading.

The lowest offer in the feed wheat tender was \$207.25 a tonne c&f plus a \$1.50 a tonne surcharge for additional port unloading for 55,000 tonnes, followed by another offer of \$208.84 a tonne c&f

Taiwan's MFIG purchasing group has issued an international tender to buy up to 130,000 tonnes of corn which can be sourced from the United States, Brazil, Argentina or South Africa. The tender closes on Aug. 4.

Two consignments were sought, both for 40,000 to 65,000 tonnes.

- Shipment of one consignment was sought for Dec. 2-21, 2015 from the U.S. Gulf, Brazil and Argentina or between Dec. 17, 2015 and Jan. 5, 2016, from the U.S. Pacific North West coast or South Africa
- Shipment of the second consignment was sought between Dec. 22, 2015 and Jan. 10, 2016, from the U.S. Gulf, Argentina and Brazil or between Jan 6-25, 2016 from the U.S. Pacific North West coast or South Africa

Chicago corn prices have fallen about 10 percent in July largely because favourable weather has increased optimism about this year's U.S. corn crop.

The Korea Feed Association (KFA) purchased about 65,000 tonnes of optional-origin corn in a tender which closed on Friday, European traders said on Monday.

- The corn was purchased by the KFA at \$185.50 a tonne c&f after extended negotiations, seller was Glencore. The corn was for Jan. 10, 2016, arrival. Other shipment positions sought in the tender were not purchased.

South Korea's (MFG) has issued an international tender to purchase up to 70,000 tonnes of yellow corn. Tender deadline is Tuesday, Aug. 4.

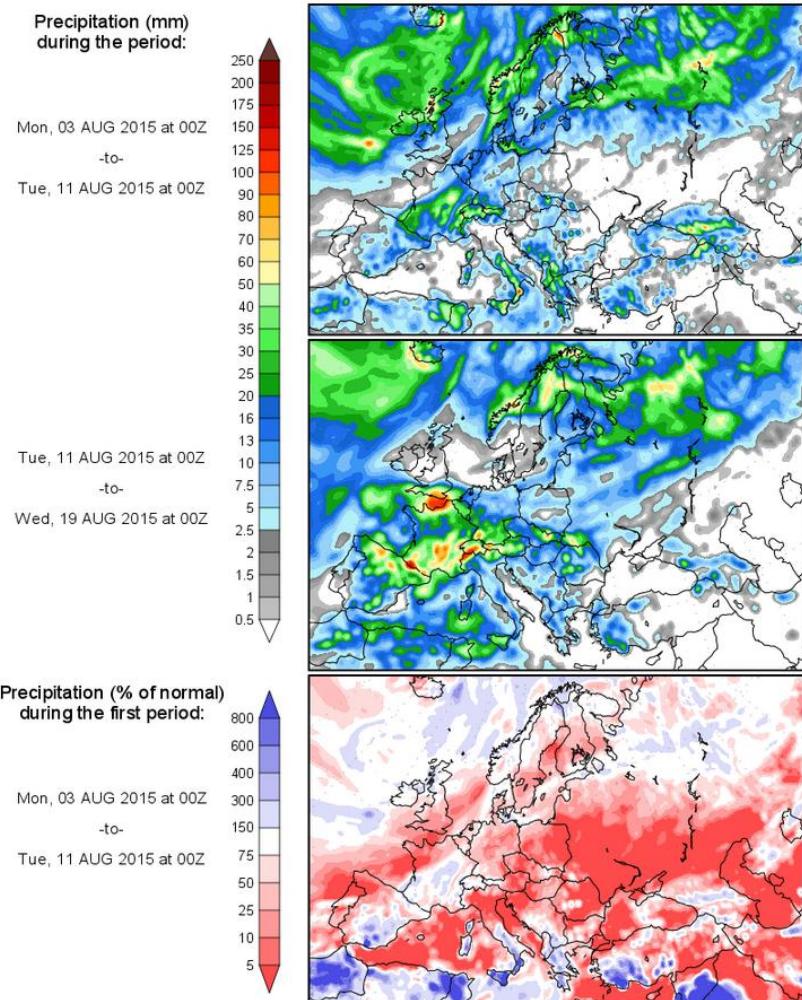
The corn can be sourced optionally from the United States, South America, South Africa or Black Sea region

It was sought in two shipment periods, one for arrival around Jan. 24, 2016, and the other for arrival around Feb. 5, 2016

In the Black sea (Ukr) new crop (Oct/Nov/Dec) traded last week +50 and +47 depending on position. January onwards positions were too far apart with buying interest around +50 but sellers indicating +65.

Hungarian Danube corn FOB levels traded oct/nov positions last week from 153€ till 148€. Basis January traded from 156€ till 150€ following the decline of the matif and €/\$ change. Hungary was, as expected, way less hot last week and some showers were reported. Still rain is needed which is not expected in big style coming week.

On the Dutch market new crop Jan/mrt some quantities traded with 171€, for the other positions it was relatively quiet



## Wheat:

Jordan's state grain buyer has issued an international tender to purchase 100,000 tonnes of optional-origin wheat. Tender deadline is Aug. 5.

Tunisia's state grains agency has purchased 84,000 tonnes of optional-origin soft milling wheat in a tender which closed on Wednesday

- Traders said the wheat was purchased in a series of consignments with the lowest price at \$203 a tonne c&f and highest around 206 US\$.

The wheat had been sought for a range of shipment dates from Sept. 15 to Nov. 25 depending on origin

South Korean flour mill CJ Cheiljedang Corp. purchased 50,000 tonnes of Australian-origin milling wheat in a tender on Thursday. The tender had sought shipment between Dec. 16, 2015, and Jan. 15, 2016.

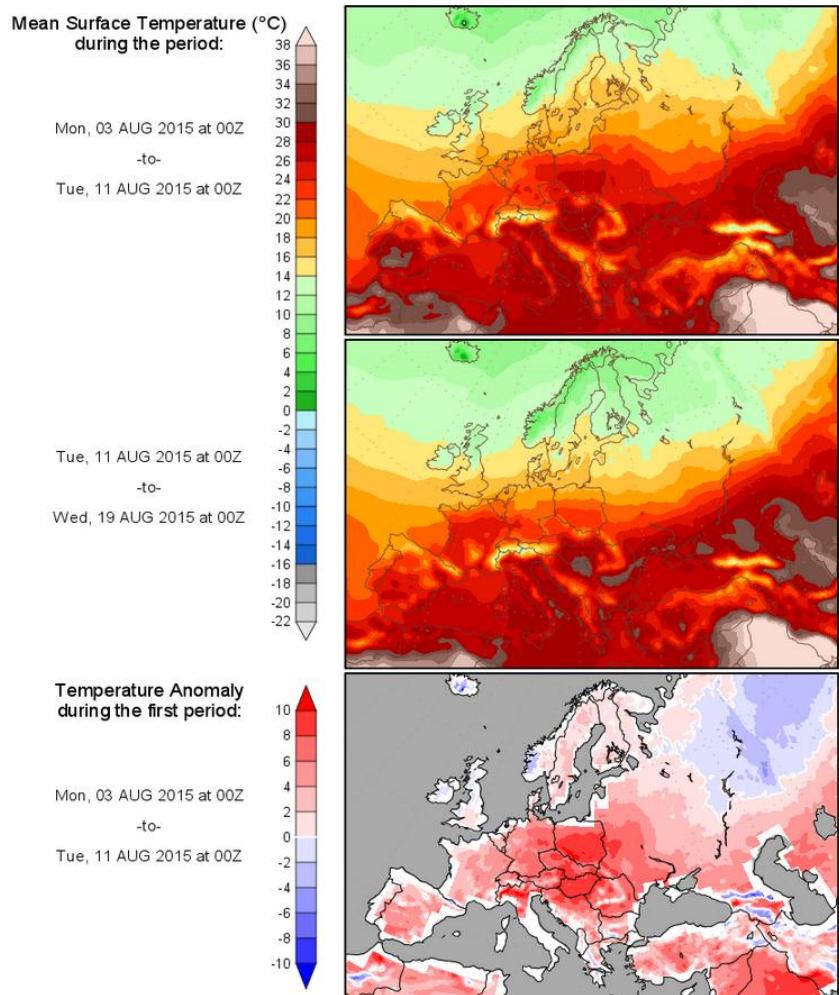
- The purchase comprised 43,500 tonnes of Australian standard white wheat of 10.3 to 11.0 protein content bought at \$252 a tonne fob and 6,500 tonnes of hard wheat of a minimum 11.5 protein bought at \$255 a tonne fob

CJ traditionally largely sources its wheat from either Australia or the United States

South Korea's (KFMC) purchased 43,100 tonnes of milling wheat to be sourced from Australia in a tender which closed on Thursday. Shipment had been sought in December. The purchase comprised 35,500 tonnes of Australian standard white wheat of 10.3 to 11.0 protein content bought at \$252 a tonne fob and 7,600 tonnes of hard wheat of a minimum 11.5 protein bought at \$255 a tonne fob.

Milling wheat's Fob in Germany and Poland very quiet last week with German levels around 208\$ for 12.5pro and polish around 203\$. With no close buying interest around. Black sea still around 10-15\$ cheaper compared to these markets.

Feed wheat Dutch market not much activity last week. Sep/dec positions traded 178 and Jan/mrt traded 181€.



## **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 192\$ but buyers indicating 187\$. For the German barley market new crop nominal values were around 188US\$.

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

## **South America:**

The effects of El Niño are becoming visible in South America. Heavy rains are coming across the southern part of Brazil and the main growing areas of Paraguay, Uruguay and Argentina. Especially in South Brazil and Northern Uruguay, the wheat crop is suffering from these excessive rains. Quality problems should be expected for the milling wheat. Models continue to show heavy rains for mid/end of this week.

The Brazilian Real touched its lowest point since the populist government is in power. It started the week around 3.35 and closed around 3.42. The lower board however did not cause this devaluation to trigger a lot of farmer selling on corn and beans. This caused the premiums to remain steady or a bit firmer compared to the week before. During the week several business were reported on Brazilian corn. Levels traded were +25cz for October Paranagua, +38cz and +35cz for December Santos and +37cz for December Sao Francisco de Sul. Northern ports were offered at +25cz for o/n/d during the beginning of the week but ended offered at around 35cz at the close of Friday. On the CnF side, the Brazilian premiums were heavily discounted to Korea. Several cargoes traded at fob equivalent levels between +25cz and +29cz (depending on the freight). New crop which has traded a lot already was a little bit less discussed. The Jan Feb ended the week at +45ch6 and August/September 2016 which traded at just below 20's ended offered at +40cu6 with no clear buyers.

In Argentina, the export licenses finally got distributed by market share, leaving the majority of exportable surplus in hands of the traditional trading houses. Premiums also ended up a bit firmer after seeing trades at levels of +18cu the week before. The August/September traded last week at +26cu and by the end of the week, offers for this shipment period were at +32cu6.

## Sunseed/Sunoil:

Ukrainian Sunflower oil started week 31 with some movement on the old crop. While buyers were not changing levels too much the lack of sellers made it difficult to maintain a liquid market. On the old crop sellers started offering August at 850. While buyers started bidding 830 USD, during the first half of the week August was recorded trading at 853 USD, 855 USD and 858 USD when the market realized there was little volume available with a few shorts in the market. Week ended with still some smaller volume of August offered at 860 USD but no clear buying side. For new crop sellers started showing 770 USD for October and 765 USD for November/December. With CBOT staying weak sellers improved prices slowly as the week progressed. Buyers however were not willing to pay these prices as the biggest part of the week showed downwards pressure on Soybean, Palm and Brent oil.

The Sunflower seeds market activity on the Black Sea was still rather slow due to a lack of sellers. With the dry and hot weather farmers were not too quick to sell. During week 30 the sharpest SFS parcel offered in the market was coming from resellers. September position was seen offered at 405 USD again 400 USD bids, at this level of 400 USD also a trade was recorded. From buyers there was more demand for October SFS where bids were even willing to reach up to low 400s USD.

