

Report week 35

Corn:

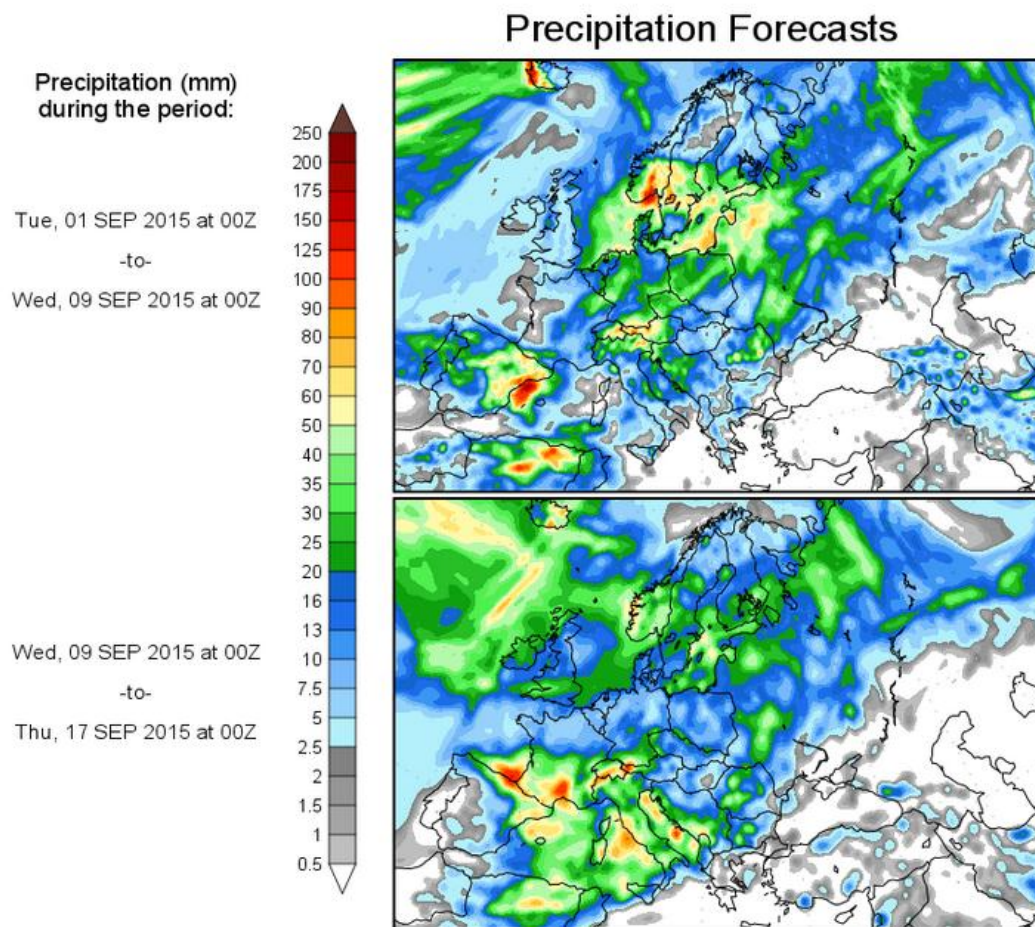
South Korea's (KOCOPIA) purchased about 55,000 tonnes of yellow corn to be sourced optionally from the United States or South America in a tender which closed on Wednesday

- The corn was purchased at \$192.69 a tonne c&f including surcharges for additional port unloading. The corn had been sought for arrival around Dec. 25. Seller was claimed to be Vitol.

In the Black sea (Ukr) new crop (Oct/Nov/Dec) premiums dropped with sellers quoting +60/55 depending on port/position vs buying ideas around +50, (+53 traded last week) January onwards positions nominally +70 vs +60.

Hungarian Danube corn FOB levels traded oct/nov positions last week around the 149€ level. Basis January traded between 156 and 153€.

Corn in the Dutch market was quiet last week as the prices were about the same as the price for feed wheat. Some end September positions were traded to consumers between €168 and €170, which was a big spread to the paper 1-15sep position which traded 8€ higher due to some delay in import vessels coming in.



Wheat:

South Korea's (NOFI) purchased about 65,000 tonnes of feed wheat to be sourced from optional origins in an international tender which closed on Tuesday

It was purchased at \$201.55 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading. The wheat is for arrival in South Korea around Jan. 25, 2016. Seller was Concordia

South Korea's (MFG) purchased 60,000 tonnes of feed wheat which can be sourced from any optional origins worldwide in a private non-tender deal.

- The group made the purchase at \$201.50 a tonne c&f. The wheat is for arrival in South Korea around Feb. 5, 2016. Seller was Daewoo.

Jordan's state grain buyer has issued an international tender to purchase 100,000 tonnes of hard milling wheat which can be sourced from optional origins. The tender closes on Sept. 1 Jordan made no purchases in another tender for 100,000 tonnes of wheat on Tuesday and its previous two previous wheat tenders in August, with traders citing limited selling interest due to concerns about inspection and payment conditions.

Tunisia's state grains agency has purchased 75,000 tonnes of soft milling wheat and 125,000 tonnes of durum wheat, but no feed barley, in a tender that closed on Wednesday. All the grains can be sourced from optional origins. Traders said the durum purchase in dollars a tonne c&f comprised:

- 25,000 tonnes bought at \$359.00 a tonne from Richardson
- 25,000 tonnes bought at \$349.29 a tonne from Glencore
- 25,000 tonnes bought at \$352.27 a tonne from Glencore
- 25,000 tonnes bought at \$357.05 a tonne from Glencore
- 25,000 tonnes bought at \$361.24 a tonne from Glencore

Traders said the soft wheat purchase in dollars a tonne c&f comprised:

- 25,000 tonnes bought at \$194.49 a tonne from Nidera
- 25,000 tonnes bought at \$197.49 a tonne from Nidera
- 25,000 tonnes bought at \$199.49 a tonne from Nidera

The lowest offer for 50,000 tonnes of feed barley also sought was \$199.57 a tonne c&f

The durum was sought for shipment between Oct. 20 and March 15 next year, depending on origin, and that the milling wheat had been sought for shipment between Dec. 5 and March 5, depending on origin.

South Korean trading firm Daewoo International offered to sell 50,000 tonnes of wheat to Bangladesh for \$235 a tonne, the lowest offer in a tender that opened on Thursday. The price included freight, insurance and discharge costs.

Four trading companies competed for the tender that was the first tender issued by the state grains buyer for the current fiscal year that started in July.

Egypt's (GASC), said it bought 60,000 tonnes of Russian wheat in a tender on Thursday.

The wheat was purchased at \$190.07 a tonne cost and freight (\$180.47 a tonne FOB basis and \$9.60 a tonne freight from National Navigation.) Seller was trading house Olam.

Egypt's (GASC), has bought 55,000 tonnes of Ukrainian wheat in a tender for Oct. 1-10 shipment. Traders gave the following breakdown of the purchase:

- 55,000 tonnes of Ukrainian wheat from Venus at \$177.20 a tonne on a free-on-board (fob) basis and \$13.60 a tonne freight.

Algeria's state grains agency OAIC has issued a tender to buy optional-origin milling wheat for shipment in October. The deadline for offer submission is Tuesday, Sept. 1, and offers must remain valid until Wednesday Sept. 2.

Milling wheat's Fob in Germany and Poland very quiet last week with German levels around 195\$ for 12.5pro and polish around 188\$. With no close buying interest around. The nominal value for Black sea 12.5protein was around 185\$. 11.5pro around 10\$ below that, which will be tested again by the above mentioned tender in Algeria, although it will be most likely Baltic/French origin.

On the Dutch market at the end of last week some movement on the feed wheat with jan/mrt traded @173/174 and jan/jun at 175/176. Buyers prefer to take some feed wheat as the prices are almost equal to the corn prices and consumption like the protein levels in the feed wheat.

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. Tender deadline is Sept. 2.

French barley market new crop last week selling ideas around 182\$ depending on position. Buyers were not really active with business to China lacking (nominal 177\$). For the German barley market new crop was traded at 185\$ FOB equivalent. Black sea levels still quoted around 175\$, depending on position.

Saudi offers around 205\$ CIF for O/N/D positions, 208\$ for January. Only trade short in the market and they are showing levels of around 200\$. SGAF still indicating buying ideas around 195\$.

Dutch market was quiet only some physical delivery demand and trade on pre-Christmas positions at around 165€ CIF.

South America:

The political unrest in South America continues. In Argentina there are several allegations of fraud in elections that took place Sunday last week in the northern province of Tucuman. The opposition, that lost the elections and which is supported by all candidates for president, is filling complaints for different issues such as burned election urns, unaccounted votes etc. The government has rejected any allegations. The candidate with the highest chance to beat the current governing party candidate announced that he would take out the export taxes on wheat and corn and gradually diminish the taxes on soybeans. In Brazil, the

governing workers party and ex-president Lula are under fire for the corruption scandals around Petrol Company Petrobras and construction firm Odebrecht. In both countries the currencies devaluated in line with world tendency after the economic slowdown of China. The Argentine peso in the official channel ended at 9.35 while in the unofficial channel, the currency reached the psychological barrier of 16 but ended at 15.60. In Brazil the real traded 3.60 at the end of the week.

In the grain market, the weather was beneficial for the winter crops and plantings of summer crops. The heavy rains seen in the past weeks eased off and with relatively dry weather, even the most problematic areas could recover from the flooding. The crops have been affected but it is still not sure to what extent. On the premium side, the corn in Argentina remained offered rather stable to a bit lower throughout the week. At the end of the week September and October were offered at +40cz without cargoes changing hands. Demand was at +30cz. In Brazil there was a bit more movement, mainly helped by the currency devaluation. At least 4 cargoes traded on the October at levels ranging from 48cz for Paranagua to +52cz for Santos/Tubarao. Buyers were mainly Japanese/Korean trading houses. At the end of the week, the offers for October were at +50cz for Santos/Tubarao, +55 for November and December and +55ch for January. September 2016 was offered at +30cu6.

Sunseed/Sunoil:

Ukrainian Sunflower oil started week 35 again quietly. The bid-ask spread was not changing much compared to the previous weeks, buyer and sellers seemed still unwilling to meet on the October/November/December positions. While the Soybean oil was firming a bit on CBOT and the 6 ports SFO market showed a correlated movement, the Blacksea still did not manage to find any new motivation. The September position was already not offered last week and this week the October position was also becoming difficult to find. Buyers were still willing to pay a premium of 10USD for October over the November and December positions.

The Sunflower seeds market on the Black Sea was still showing some activity during week 35. With decreasing prices during the previous week sellers kept rather sharp offers for the start of week 35. After September/October positions trading at high 370s USD, sellers started disappearing as the week progressed. We found buyers again willing to improve prices due to the slight Sunflower oil improvement on the 6 ports. It was again difficult to find sellers as farmers were still holding the seeds. Starting week 36 we see again that bids are shown at 380USD for September/October positions but no firm offers of Sunflower seeds being shown.

