

Report week 39 (2017)

Corn:

The European Union has increased the volume of annual quotas of Ukrainian grains that can be imported duty-free into the bloc so that total import quotas would exceed 1 million tonnes per year for both maize and wheat.

The decision, which was published in the EU Official Journal on Saturday, Sept. 30, is for an additional 625,000 tonnes of maize, 325,000 tonnes of barley and 65,000 tonnes of wheat. The new quotas are part of an agreement aimed at enhancing economic and trade relations with the former Soviet country and are applicable from Oct. 1 for three years.

Ukraine already benefited in 2017 from annual tariff rate quotas for 960,000 tonnes of wheat, 450,000 tonnes of maize and 270,000 tonnes of barley.

Blacksea market on corn showed some small movement on the November/December position around 158/159US\$ (around 50/51 over dec CBOT eq). After Christmas positions far apart with sellers around 60/65 over vs buyers around 50/55over.

On the Danube the value for corn is nominally 148/9€ for oct/nov and 152€ for bss jan with little to no activity noticeable (way too expensive for any destination, except local).

On the Dutch market only sellers showing prices, but with 5€ spread on almost every position vs feedwheat (corn 5€ under FW), corn was not a very attractive product to buy in the eyes of the consumer.

Wheat:

Algeria's OAIC bought 480,000 tonnes of milling wheat in a tender that closed on thursday.

- Prices paid were between \$211 and \$212 a tonne, cost and freight included. The wheat is due to be shipped in December.

The origin of the grain is optional but is expected to be mostly sourced from France, the main supplier of wheat to Algeria. Argentine wheat was also seen as a possible origin since it was price competitive. But potential rain damage to the size and quality of the upcoming harvest in Argentina could limit its chances

Egypt's (GASC) set a tender on Monday to buy an unspecified amount of wheat from global suppliers for shipment from Nov. 5-15. Tenders should reach GASC by noon local time (1000 GMT) on Tuesday. The results should come out after 3:30 p.m. local time (1330 GMT) on the same day. Wheat bids should be free-on-board, with a separate freight offer.

At its last wheat tender on Sept. 19, GASC bought 175,000 tonnes of Russian wheat

Blacksea 12.5pro paper market levels pre GASC tender showed selling interest around 193\$ for october, 195\$ november and 197\$ december. (buyers around 2-3\$ lower on all positions)

Dutch market was relatively quiet on feedwheat. Market showing sellers last week 170 pre-christmas and 175€ jan/jun.

Barley:

Saudi Arabia's state grain buyer SAGO said on Monday it had bought 540,000 tonnes of feed barley in a tender.

The barley is for arrival during November and December and the offered origins were European, Black Sea, North and South American and Australian at the seller's option.

The cargoes will be delivered in 11 consignments, with 360,000 tonnes going to Saudi Arabia's Red Sea ports and 180,000 tonnes to the Kingdom's Gulf ports.

The details of the purchase with prices in dollars per tonne cost and freight (C&F) and arrival dates were as follows:

Red Sea Ports

- 60,000 tonnes from CBH at \$211.98 (Nov. 15-30)
- 60,000 tonnes from ADM Hellas at \$213.89 (Nov. 15-30)
- 60,000 tonnes from Glencore at \$214.24 (Nov. 15-30)
- 60,000 tonnes from Holbud Limited at \$215.78 (Nov. 15-30)
- 60,000 tonnes from Cofco Resources at \$216.48 (Dec. 1-15)
- 60,000 tonnes from Holbud Limited at \$216.65 (Dec. 1-15)

Arabian Gulf Ports

- 60,000 tonnes from ECTP at \$220.29 (Nov. 15-30)
- 60,000 tonnes from Glencore at \$220.74 (Nov. 15-30)
- 60,000 tonnes from Glencore at \$221.74 (Dec. 1-15 Dec.)

Jordan's state grain buyer has purchased 50,000 tonnes of barley in a tender

- The barley was purchased from GTCS at the price of \$218 a tonne cost and freight.
The arrival date is the second half of December.

Markets on barley slowing down a bit last week as Saudi tender was expected. Nominal values on FOB were 183/2\$ UK (handy size), 190/189\$ France, 191\$ Romania and same for Ukraine.

Dutch market showed some movement at the front positions around 162/163€ oktober deliveries. Jan/mrt and apr/jun positions were bought/priced by some consumers in holland at prices of 168/169€.

Sunseed/Sunoil

The Ukrainian Sunflower oil market is showing limited activity during week 39. Mainly on the nearby positions trade is looking to reduce the long. For October/November destination has shown such limited demand that we have seen trade sales back to the crush in order to postpone the positions. January/February/March are the most liquid position with most activity from both crush as consumption. While trading between 775USD and 765USD during the week also JFM is starting to feel weaker with destination buyers already looking for coverage on AMJ. Due to SFS supply limited on the forward these positions are mostly undiscussed as crush is not offering while the trade is more focused on managing the difficult nearby positions.

The Blacksea Sunflower seeds market shows the same division as in the oil. On the nearby positions farmers aswell as long-trade keeps offering. After some good amount of selling past weeks the demand moved further to the forward and is paying up

January/February/March positions. Where OND seller are willing go below 370USD the buyers have been showing these levels for JFM but not getting close counters. Where the crush can still manage positive margins on the JFM the EU oil markets are under heavy pressure for OND which is keeping the industrial demand out while on the same page trade is not willing to take a position on these nearby positions fearing the good crop the Blacksea region is having again this year.

