

REPORT WEEK 26

Below was written prior to tonight's USDA report!

Wheat

Harvest in Black sea region slowly but steadily starting.

First cuts, as usual one could say, do not give the complete picture on qualities.

One can say however, that the yields are definitely looking better than last year. in both Russia and Ukraine.

Like last week Russian exporters looking to place their wheat; they sold 200k 12,5% to Indonesia as blend for the local millers at ard. 300 usd cif.

Fob market in Russia traded 248 for august 11.5% milling wheat which is further offered but buyers side lining as they are for 12.5% (buyable 1/10 july at 255 usd)

Feed wheat in the Black Sea offered at 230 usd handy port; bid 230 panamax port.

Korea bought feed wheat for October/November at 274 usd cif.

The EU countries facing the Black Sea harvesting nicely as well; looking like the average quality is good as are the yields.

Milling wheat levels competitive with Russian and Ukrainian levels.

In the Iraqi tender (on which they passed btw) the combo of Hungarian/Serbian/Romanian was the cheapest offer in the line-up.

Jordan tenders again for 150k next week, deadline 3rd of July

Barley

Saudi Arabia was able to buy some volume around 270usd CIPFO, this week's positions Oct-Dec and some Feb-Mch positions. It is clear that carry will be a rare item in this season's barley trading.

Jordan bought one vessel this week at 277usd 1H Oct shipment, the tender was held on Tuesday 25th and was won by Toepfer. Russian FOB levels are around 248usd, Constanza traded for decent volume around 245usd, Jul/Aug positions. Ukraine is still quiet. Yields in Europe seems to be at or above expected so no stress there. Jordan Tendering for 100k barley, deadline 2nd of July.

Ciffo Hamburg traded at 181/182 eur this week and a panamax was traded at 188eur, further offered at 190eur, position basis Sept till Dec with a carry.

Fob Danube is bid at 162, offered at 164.

Dutch market is bid at 181, offered at 183. Traded at 182 this week.

Argentinean barley planting is 27% done, so not much to say about it. Canadian values are way above market value offered and bids, if any, are at least 20sud below.

The world has ample barley supplies and it doesn't look as if anything can change the downtrend at the moment/ this year.

Corn

Big news this week was the Korean Nov/Dec tender which was done between 257usd and 251usd CIPFO, Cargill and Vitol sold. These prices are an equivalent of Black Sea prices at option level or just above. A 1-15 Oct arrival tender to Korea as well was done by Mitsui at 278,50usd basis Brazilian origin.

Current market for any 15days Nov or 1H dec is +10cz3 vs +15cz3. By far the cheapest corn in the world suitable for export purposes.

Fob Danube traded this week at 155eur for Oct/Nov and at 162 basis Jan. Constanza is bid at 168eur FOB, probably one can buy at 171eur (+30cz3). Not much action there either...

Dutch market still sharply prices at levels which cannot easily be replaced by any origin, current market is offered at 181eur, but very difficult to find the buyers, even at 178eur.

Weather wise no foreseeable problems at the moment in corn areas. Europe gets rain all over, temperature little bit chilly but as from next week higher temperatures are expected. US seems to be okay, southern Hemisphere crops are non-discussed.