

Report week 4 (2017)

Corn:

A group of Israeli private buyers bought corn, feed wheat and barley, all to be sourced from optional origins, in a tender that closed on Wednesday. The tender had sought up to 85,000 tonnes of corn, 40,000 tonnes of feed wheat and 25,000 tonnes of feed barley for arrival in Israel between April 17 and May 17.

- The first consignment of corn was purchased at \$179.71 a tonne c&f and the second consignment was at a premium of 84 U.S. cents c&f over the Chicago May corn contract CK7.
- Two consignments of feed wheat were both purchased at \$180.50 a tonne c&f.
- The first consignment of feed barley was bought at \$178.00 a tonne c&f and the second at \$179.50 a tonne c&f.

If based on supplies from the Black Sea region, the first 35,000 tonne consignment of corn was sought for shipment for March 25 to April 15 and the second of 50,000 tonnes for April 20 to May 10. If based on South American supplies, the corn would be shipped 20 days earlier and from the United States shipment would be 15 days earlier.

If based on European Union or Black Sea supplies, the first 20,000 tonne consignment of wheat was sought for shipment for April 5-25 and the second consignment of 20,000 tonnes for April 25 to May 15. Shipment periods from other origins can be adjusted. Barley cargoes of 15,000 tonnes and 10,000 tonnes were sought for the same shipment period as the wheat.

Blacksea was showing some action out of Russia/Ukraine. Feb positions traded out of Ukr at 65 over (march CBOT), march traded around 62 over (march CBOT). Apr/may offered around 60 over vs 55 buying interest over may CBOT. New crop nominally still around 40 over.

On the Danube very little activity noticeable with part of the river frozen. Nominal values 140 bss feb or march, 145 new crop bss oct.

On the Dutch market it was very quiet in corn

Wheat:

Algeria's state grains agency OAIC has issued a tender to buy a nominal 50,000 tonnes of optional-origin milling wheat for April shipment. It is also seeking optional-origin barley for a nominal 25,000 tonnes for March 1-15 shipment and another 25,000 tonnes for March 16-31 shipment. The bidding deadline was on Wednesday, Feb. 1. The tender terms indicate nominal volumes but Algeria could buy more.

Jordan state-owned firm Jordan Silos & Supply General Company has issued an international tender to purchase up to 25,000 tonnes of milling wheat which can be sourced from optional origins. The tender closes on Feb. 7 and seeks March 1-25 shipment.

Jordan Silos had made no purchase in its previous tender for 30,000 tonnes of wheat which closed on Jan 12. The company's tenders are separate from those issued by Jordan's state grains buyer to purchase wheat and barley.

Egypt's GASC said on Thursday it had bought 410,000 tonnes of Russian wheat in a tender. Traders gave the following breakdown of the purchase in dollars per tonne:

- Aston: 60,000 tonnes of Russian wheat at \$194 free on board (FOB) and \$9.25 freight equating to \$203.25 cost and freight (C&F)
- Grainbow: 60,000 tonnes of Russian wheat at \$192.25 FOB and \$11.20 freight equating to \$203.45 C&F
- ECTP: 60,000 tonnes of Russian wheat at \$192.70 FOB and \$11.20 freight equating to \$203.90 C&F
- Glencore: 2 cargoes each 55,000 tonnes of Russian wheat at \$192 FOB and \$12.32 freight equating to \$204.32
- Louis Dreyfus: 60,000 tonnes of Russian wheat at \$192.74 FOB and \$11.20 freight equating to \$203.94 C&F
- Alegrow: 60,000 tonnes of Russian wheat at \$192.75 FOB and \$11.79 freight equating to \$204.54 C&F

Blacksea 12.5pro (russian) showed some movement for FM between 183US\$ and 187US\$ with the front positions being paid up because of the technical situation in the ports (and good prices made in Egypt/GASC). AMJ positions we have seen the offers around 183US\$ but buyers not too keen to pay these prices as they believe pressure will come.

Feedwheat showed some movement towards the spanish med on new crop aug/sep at 166€.

Dutch market showed some trades at the front positions FM between 181€ and 178€, AMJ traded at 177/178€ and new crop sep/dec showed some movement around these levels as well.

Barley:

Iranian state-owned animal feed importer SLAL has purchased about 130,000 tonnes of feed barley in an international tender which closed last week and had sought up to 180,000 tonnes. SLAL made no purchase of 120,000 tonnes of corn in the tender which closed on Thursday because of a lack of offers.

- SLAL had required offers to be placed in a sealed envelope in a submission box in Iran instead of offer submissions by email or fax. This prevented many trading houses from submitting offers. The optional-origin barley was purchased at around 185 euros (\$198.5) a tonne c&f in two 65,000 tonne consignments. Seller was said to be Holbud. The tender had sought shipment in February and March.

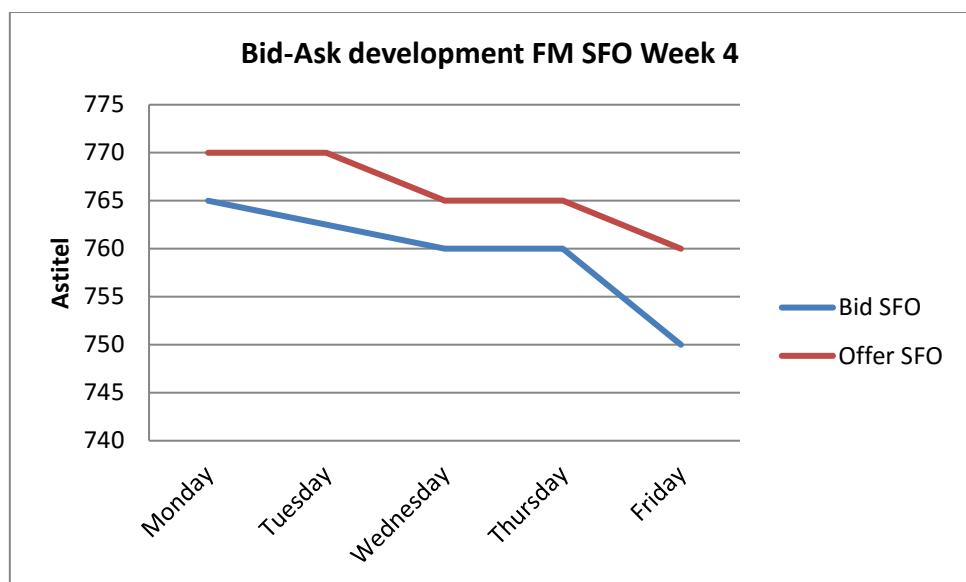
Barley traded in the German delivered market at FOB equivalent of 164US\$ for February positions. French traded for feb position \$163.5 FOB. And blacksea we have seen sellers around 166US\$ for feb/march positions.

On the Dutch market we have seen some movement on the front positions J/F around 162/160€.

Sunseed/Sunoil

The support we found last week in the Ukrainian Sunflower oil market lasted shortly. With still enough Sunflower oil in the market to be found, the weakness on CBOT Soyoil sent the market back down quickly. The shorts on the February position where getting covered quickly, which caused some panic from sellers. This made offers move from 770USD to 760USD on the single February. While the week started with February trades at 768USD on Monday, buyers moved below 760usd for February/March quickly. Single February buyers even stopped bidding during end of the week as expecting sellers to chase them further down. Most activity during the week was on the front.

The Blacksea Sunflower seeds market doesn't show much changes from last week. Due to snow causing still some logistical issues, spot sellers are keeping out. The market however still feels some buyers sniffing around for first half February in order to complete vessels. Paying for spot Sunflowerseed 395USD For second half February or march positions there are more sellers and still showing 400USD against buyers at low 390USD for Constanta/Varna/Burgas Sunflower seeds.



South America

The currency started last week in Argentina at 15.92 and ended a little bit firmer at 15.88. In Brazil als a bit more firmness throughout the week with a start at 3,16 and a close at 3.125. Corruption remains one of the main nes topics in both Argentina and Brazil. In Argentina we saw the head of the Intelligence Agency defending himself against accusations and in Brazil, one of the leaders of a stockexchange listed company was put on the Interpol list for bribing the former governor on Rio de Janeiro. The former president, Lula, is not only worried about his political carreer. His wife had a stroke and is still in a artificial coma.

On the grain markets everybody is still looking at the weather conditions, especially in Argentina. Not only floodings, which do not seem to cause great concern in the final production numbers, but more the drought in the south and southeastern part of Buenos Aires province. The Buenos Aires grain exchange came out with their production numbers on soybeans and pegged it at 53.5 million tons. 4,5% less than last year. On the corn they did not release the production numbers yet but they fear that some yield will be lost do to the

excess of rain in the main belt and the drought in the south. Still the area is 27% bigger than last year. Brazil still has some deficit of moisture in the northeast but with the rains in the forecast that concern might be relieved a bit.

This week in Brazil we saw the one but last tender for wheat. A lot of interest but mainly short covering. We did not see too much new offers coming to the market. On business it was said that a handy February delivery traded at USD 176. In Argentina the wheat was very demanded with few offers. The bids reached as high as 181 for 11,5 pro. It looks like it is turning into a Mercosur only market. Offers for 12 pro should be found at 187 for 15/2 and 188 for march delivery. 11,5 pro will be at USD 185. The Argentine corn is offered at 60ck for 15 march delivery with buyers full march at 50ck. April/May offered at 45ck and july onwards at 30cn/u/z. On the Brazilian side, offers were at 50 for Santos/Tubarao and 5 cents discount with the option for northern ports. Demand between 10 and 15 cents lower.