

Report week 29 (2016)

Corn:

Indian (STC) has raised the volume sought in an international tender to purchase and import corn to 150,000 tonnes from 130,000 tonnes initially sought.

Deadline is July 28, for the tender, which seeks corn free of genetically-modified organisms (GMOs). Shipment between Aug. 1-30 is requested.

Indian PEC Ltd has issued a new international tender to buy and import 200,000 tonnes of yellow corn (maize). The tender closes on July 29 and offers must remain valid up to Aug. 5. The new tender from PEC again sought corn free of genetically-modified organisms (GMOs), they said. Shipment is sought between Dec. 15, 2016 and Jan. 31, 2017, they said.

PEC had on Friday received only one offer in a tender to import 120,000 tonnes of GMO-free corn. The sole tender participant offered only 25,000 tonnes of corn at \$252.3 a tonne c&f, highlighting difficulties in sourcing non-GMO corn, which is grown by only a few countries in the world.

Taiwan's MFIG purchasing group bought about 65,000 tonnes of corn set to be sourced from the United States or Brazil at the seller's option in a deal late last week.

- The grain was purchased at a premium of 165 U.S. cents a bushel over the Chicago December corn contract CZ6.

If sourced from the United States Gulf or Brazil, shipment was between Oct. 8-27, shipment from the United States Pacific North West coast was between Oct. 23 to Nov. 11.

South Korea's (MFG) purchased up to 70,000 tonnes of optional-origin yellow corn in a tender which closed on Wednesday. The tender had sought wheat from optional origins in two consignments of 55,000 to 70,000 tonnes.

- The purchase was for arrival in South Korea around Dec. 15 and was made at \$190.50 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading.

Offers for a second consignment for arrival around Dec. 25 were rejected and no purchase was made.

South Korea's (KOCPIA) purchased about 55,000 tonnes of yellow corn which can be sourced from optional origins in tender which closed on Wednesday.

- The corn was purchased at \$198.87 a tonne c&f including surcharge for additional port unloading. The grain is for arrival in South Korean around Nov. 8.

CBOT corn (dec) lost some ground during the week 365 → 340. O/N/D positions traded between 90 and 95 over out of Ukraine FOB. Jan/feb positions discussed 90/95 over vs 80/85 over march CBOT.

Hungarian Danube corn FOB market was showing a little activity last week. Oct/Nov traded around levels of 135-137€, bss January around 138-140€.

On the Dutch market it was not very active on the corn side. Some 170 trades reported for old crop "paper" traded. OND traded 163 and jan/mrt at 165€.

Wheat:

Syria's state grain agency (Hoboob), said on Monday it is seeking to buy 150,000 tonnes of soft wheat from Russia.

The deadline for bids is Aug. 3 and the origin of the wheat must be Russian.

Offers were sought in euros on a cost and freight basis, according to the document.

Partial offers are accepted providing they are not less than 75,000 tonnes.

Hoboob last tendered for 200,000 tonnes of soft wheat in mid-July with a deadline for bids of July 18. The import announcement comes amid the local wheat purchasing season, which started in June.

Syria's state grain import agency bought about 200,000 tonnes of soft wheat in a tender which closed on Monday. The wheat was likely to be of Russian origin and was purchased at 164.31 euros (\$180.51) a tonne c&f free out to Syrian ports.

The agency (Hoboob), sought the wheat for shipment in August and September.

Egypt's (GASC), said on Saturday it bought 300,000 tonnes of wheat in a tender.

The wheat, which is for shipment August 21-30, was purchased at the following breakdown of prices:

- 120,000 tonnes of Romanian wheat from Ameropa at the price of \$167.67 a tonne free-on-board (FOB) and \$6.66 a tonne freight equating to \$174.33 a tonne cost and freight (C&F)
- 60,000 tonnes of Romanian wheat from Cerealcom Dolj at the price of \$166.73 a tonne free-on-board (FOB) and \$8.26 a tonne freight equating to \$174.99 a tonne cost and freight (C&F)
- 60,000 tonnes of Russian wheat from Louis Dreyfus at the price of \$166.80 a tonne free-on-board (FOB) and \$9.45 a tonne freight equating to \$176.25 a tonne cost and freight (C&F)
- 60,000 tonnes of Russian wheat from Aston at the price of \$166.80 a tonne free-on-board (FOB) and \$8.25 a tonne freight equating to \$175.05 a tonne cost and freight (C&F)

Iranian private buyers have purchased around 350,000 tonnes of wheat from Europe

The wheat is largely for shipment in October and November

The wheat is likely to be sourced from areas including the Baltic Sea region and Germany

Imports are being purchased, despite Iran's large harvest this year, because of large Iranian flour exports to Syria, the Middle East Gulf and Iraq.

Tunisia's state grains agency purchased about 92,000 tonnes of milling wheat and 75,000 tonnes of feed barley in a tender which closed on Thursday. The grains can all be sourced from optional origins. These purchases were made in dollars a tonne c&f;

Soft milling wheat:

17,000 tonnes Invivo \$181.84

25,000 tonnes Invivo \$177.69

25,000 tonnes Dreyfus \$177.74

25,000 tonnes Invivo \$178.69

The wheat was sought for shipment between Sept. 25-Dec. 15 depending on origin.

Barley:

25,000 tonnes ADM \$164.39

25,000 tonnes ADM \$165.21

25,000 tonnes Nidera \$165.81

The barley was sought for shipment between Oct. 5-Nov. 25 also depending on origin.

Blacksea traded 12.5 pro between 166 and 170 US\$ FOB for aug/sep/oct positions. blacksea region still the cheapest origin by far. 11.5pro on same positions quoted around 160/163US\$ and feedwheat traded around levels of 153-155US\$ FOB.

Feed wheat in the Dutch market showed some activity on the new crop again, 161-163€ traded for sep/dec-oct/dec positions. Between 166 and 169€ traded for jan/march-jan/jun positions. Matif made some major swings in the last days of the week. (between close Wednesday and Friday close MATIF wheat December was 13€) this made the prices in the Dutch market big in spread.

Barley:

Because of the wide range on prices on the matif prices in the German barley market fluctuated allot. New crop Basis September traded between levels of 140 and 148€ (160-170\$ FOB eq.)

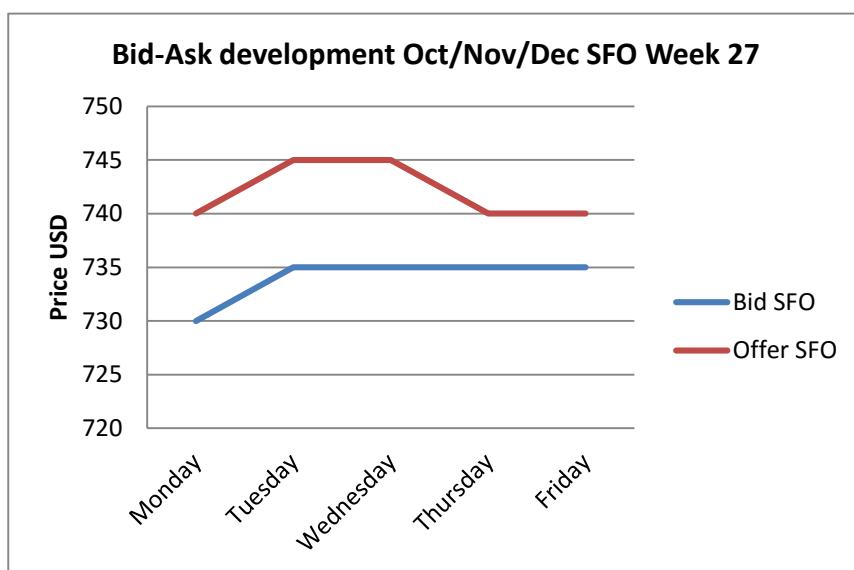
Black sea barley showed some decent activity on the Jul/Aug/Sep positions with trades reported between 142 and 146US\$ FOB depending on position/size. (moving up towards end of the week)

On the Dutch market we have seen some decent activity on new crop positions. Sep/dec between 146 and 150€. And jan/june positions between 151 and 154€.

Sunseed/Sunoil:

The Ukrainian Sunflower oil market, for a few weeks now, is finding it difficult to attract some support. The Sunflower oil market has been heavy on both old and new crop for some time now. On the oldcrop liquidity is decreasing by the day which is making bid-ask spreads larger after swings on the CBOT. It is making oldcrop Sunflower oil difficult to trade but non the less when it does its not showing any sign of improving prices. While the crushers are showing offers round 785/790USD for July/August the limited quantity trading is showing levels round the 776/777USD. For the newcrop the October/November/December positions are showing most liquidity where the selling side is becoming more active while buyers are also starting to slowly take some position. On the newcrop the trade made the market even heavier. The week started with offers for OND round 745USD and pushed it down to offers at 740 towards end of the week. Primarily the trade is trying to create some short position in the expectation that markets can move further down when more Sunflower seeds come to the market. Week 30 started with some more pressure on the OND positions and showed Monday, after some big drops on the CBOT, a market 735USD vs 725USD.

The Blacksea Sunflower seeds market slowly but surely getting more active. With EU crushers still not ready to commit, the market became heavier and also kept this during week 28, where offers reached to 375USD for the September position. Best buyer seen was showing 372/373USD throughout the whole week. While also this week the ARAG market was showing possibilities to lock gross crush margin of 40+ USD the crush was still not attracted to support this Blacksea Sunflower seeds market. Starting week 29 market on September even slipped further to 375 vs 370USD on September.



South America

The peso stayed firm above 15. It ended the week at 15.08. The Brazilian currency continued very stable, by the end of the week it was quoted at 3.28. The Argentinian truck drivers union went on strike until Thursday night. The government sat down to negotiate with them and decided to increase the tariffs with 23%. The strike affected logistics very seriously, only 1.130 trucks arrived to the ports. Not too many days left before the Olympic Games start, the government and the population are not as excited as they could be. A general feeling of concern exists. On Thursday a group of ten Brazilians has been captured by the police, they were linked with the terrorist group ISIS.

According to the Buenos Aires grain exchange, the corn harvest had a weekly progress of 5.2%, the biggest progress since a while. The amount harvested is now 52.8% of the total area. On Monday an August was traded at +120cu, after this, offers for August disappeared. The interest from Brazil continues very firm, apparently 4 cargos were done for October and November at CNF 202. If we take into account a freight of USD 15, this would mean a FOB price of +135cz approx. At the end of the week a November was traded at +140cz. The new crop is getting firm, sellers for April are willing to sell in the mid 60's. Sellers for July are willing to see bids with a 5 in the front. Regarding the wheat, new crop low pro is being offered at 175, for high pro sellers could be found around 195.

On the Brazilian corn market, buyers have interest for almost all positions, they are willing to pay something close to +120. On the offer side, the only position offered was August. Sellers were indicating +140cu. Nevertheless, this value was not renewed on Friday.