

## Report week 2 (2017)

New year, new chances. As this is the first report of the year, happy belated 2017!

### Corn:

South-Korea's MFG had rejected all offers and made no purchase in an international tender to buy up to 70,000 tonnes of corn from optional origins which closed on Thursday.

Blacksea was slowly starting up again last week after Christmas celebrations in Russia/Ukraine. Front positions are technical with big line-ups in the port and weather not helping at all. February traded around 70 over CBOT, march traded around 65 over. Apr/may offered around 60 over vs 55 buying interest over may CBOT. New crop O/N/D showed some activity last week around 38/39 over dec CBOT for November positions.

On the Danube Bss February was showing some movement around 140€. New crop (bss oct) was claimed to be traded around levels of 144/143€.

On the Dutch market we have seen some consumer pricing the Feb/March positions around 176€. Allot of problems for the shippers into the Dutch interior market, low water and ice hampering shipping on the river Rhine and the Danube.

### Wheat:

South Korea's (MFG) purchased about 60,000 tonnes of feed wheat of optional origin in a non-tender deal on Thursday.

- The group made the purchase from trading house Concordia at \$187.88 a tonne c&f. There is an extra \$1.50 a tonne surcharge for additional port unloading. The wheat is thought likely to be sourced from Europe for shipment between March 17 to April 5 for arrival in April.

Egypt's (GASC), said on Saturday it had bought 175,000 tonnes of Russian and 60,000 tonnes of Romanian wheat in an international purchase tender. The wheat was sought for shipment between Feb. 15 and 25 with the following breakdown of the purchase:

- Grainbow: 60,000 tonnes of Russian wheat at \$187.50 FOB and \$11.39 freight, equating to \$198.89 C&F
- Olam: 60,000 tonnes of Russian wheat at \$187.95 FOB and \$11.39 freight, equating to \$199.34 C&F
- Cerealcom: 60,000 tonnes of Romanian wheat at \$189.65 FOB and \$10.70 freight equating to \$200.35 C&F
- Glencore: 55,000 tonnes of Russian wheat at \$188.34 FOB and \$12.30 freight equating to \$200.64 C&F

Turkey's state grain board TMO purchased 99,000 tonnes of European Union-origin milling wheat in a tender which closed on Friday. The tender sought high-quality milling wheat with a minimum 14 percent protein. The wheat was likely to be sourced from EU countries in the Baltic Sea region with a shipment period of Jan. 20 to Feb. 7.

The following purchases were made in Turkish lira, with equivalent prices per tonne c&f in dollars in brackets:

| Port     | Tonnes | Price lira     | seller     |
|----------|--------|----------------|------------|
| Mersin   | 54,000 | 884 (\$232.39) | Anagro     |
| Izmir    | 9,000  | 905 (\$237.91) | Glencore   |
| Izmir    | 9,000  | 911 (\$239.48) | Glencore   |
| Samsun   | 9,000  | 912 (\$239.75) | Hakan Agro |
| Samsun   | 9,000  | 910 (\$239.22) | Hakan Agro |
| Tekirdag | 9,000  | 906 (\$238.17) | Hakan Agro |

Traders said tender participation was relatively low with only five companies participating because of the risk of offering in lire and the quick shipment period.

Turkey's wheat crop last summer was of a decent size but there is a lack of high quality milling wheat. Russian supplies of high quality wheat are also tight, so Turkey is turning to the EU. (\$1 = 3.8040 liras)

Importers in the Philippines have raised the volume sought in an international tender to purchase feed wheat to 165,000 tonnes from 159,000 tonnes previously requested.

Tender deadline is Wednesday, Jan. 18.

- The wheat is now sought in three consignments of 55,000 tonnes for April, May and June arrival, they said. Three 53,000 tonnes consignments had originally been sought.

Jordan's state grain buyer has issued new international tenders to purchase 100,000 tonnes of milling wheat and 50,000 tonnes of animal feed barley both to be sourced from optional origins. Deadline for the wheat tender is Jan. 18 and for the barley tender Jan. 19.

The Middle Eastern importer has been struggling to import wheat and barley in past months after new terms on quality control and payment were introduced which reduced participation by international trading houses.

Blacksea 12.5pro (russian) showed some movement for JFM between 185\$ and 181\$, with the front positions being paid up because of the technical situation in the ports.

Feedwheat showed some movement towards the spanish med between 171.5€ and 173€ for feb/march positions.

Dutch market showed some trades at the front positions JFM between 176 and 178€.

## Barley:

Barley traded in the German delivered market at FOB equivalent of 163US\$ for January positions. French equivalent around 166/165US\$ FOB. And blacksea we have seen sellers around 167/166US\$ 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 Ukrainian Sunflower oil market has been directionless during the start of 2017. Week 2 was not ready to change this. A clearly flat market showing positions FMAMJ offered and bid in one line. 770USD offered against 760USD bid is the general start of the market throughout the week. With CBOT unwilling to make any significant moves on Soyoil, buyers and sellers made moves of 2/3USD to follow it. Without a clear push from CBOT the market was creating bit heaviness on the front. Towards end of the week sellers were willing to push the February and March with few trades recorded at 765/764 USD. It seems there is still enough sunflower oil on the front looking for some outlet. However, with thin margins its looking difficult to break the 765USD line.

The Blacksea Sunflower seeds market started to find some liquidity aswell during week 2. Due to snow causing some issues for logistics January sellers were difficult to find while buyers still looking for some second half of January Sunflower seeds round 390/395USD. February however had some liquidity with market showing 400USD multiple sellers against buyers at low 390USD for Constanta/Varna/Burgas Sunflower seeds. However there have been some trades recorded both CIF and FOB with both making a fob value of 400/399USD.

