

MARKET REPORT WEEK 35

Barley

Market unchanged this week and only thing to mention is that Ukraine and Russia showing a little more selling activities, realising that market has been filled by EU last months and will continue. Brussels reporting 250000 mt export-licences this week, bringing total at 2.23 million tons and it seems our earlier mentioned expectation of 2.5 million tons exports July/September are even too low and seems 3 million tons will be possible

From December onwards Australia [crop 8-8,5 m tons!!!!], Canada [1 million tons extra] AND Argentina will take over demand and Jan-June will probably without real carry.

Jordan tendering again 3/9 for 100000 mt April/May and expect values around usd 270 ciffo again

Fob Germany usd 240

Fob black sea[Russian/Ukraine] usd 240

Fob Canada usd 242

Fob Australia usd 243

Fob Argentina usd 235

Pretty transparent market and feels still more like a selling opportunity

Wheat

Supply feed wheat getting tight and Ukraine levels after September delivery heading to usd 230 fob. Bulgarian market tight as well and raised usd 10 per mt this week

Milling wheat

Decent tender business done with Saudi buying 660000 mt German/Baltic wheat October/November shipment at euro 10/12 over matif

GASC bought 295000mt of wheat for 1-10 October shipment:

- 60,000 tonnes of Russian wheat from Venus at \$252 per tonne with freight costs of \$11.94
- 60,000 tonnes of Ukrainian wheat from Etihad at \$252 per tonne with freight costs of \$11.94
- 60,000 tonnes of Ukrainian wheat from Etihad at \$252 per tonne with freight costs of \$11.94
- 55,000 tonnes of Ukrainian wheat from Louis Dreyfus at \$250.44 per tonne with freight costs of \$14.95
- 60,000 tonnes of Romanian wheat from Invivo at \$254 per tonne with freight costs of \$12.75

Market still led by Ukraine Russian origins and originators still offering September/October at aggressive levels.

Corn

CBOT showed the highest levels in the beginning of this week, 508 CZ, to drop to old-fashioned 480 CZ levels at the end of the week. Market did not make new highs so market will remain in a downtrend (next support around 450 CZ ??!?). South American crop figures remain same, US weather is okay for corn. Little more water is coming so no worries there at the moment.

Premiums in Ukraine were pretty stable this week between +25 and +30cz3 with some businesses here and there.

All business is concentrating on pre Xmas positions where most buyers are more interested in Jan onward positions. Russian corn traded this week at 193usd for volume.

Korea bought in their tender this week at 242.25usd. This tender was won (again) by Agrifert. Israel bought some volume at a level between 210 and 211 so all-in all, in tenders trade houses want to build their book even further ahead of the huge crops coming in next months.

FOB Danube did not show a lot of activity, some tonnes exchanged ownership on OCT/NOV at mid-140s and basis Jan around 150eur. Still way out of line with the Constanta market which is still today offered at 151eur for NOV. The Danube spread with the Dutch market finally did widen a bit to around 25eur, but still not enough to make the freight work. In general, a very quiet Dutch market on all grains.

The EU commission lowered their expectations today on the EU-28 crop to 65MMT, former estimates were slightly above 70MMT.