

Report week 18 (2016)

Corn:

A group of Israeli private buyers bought about 120,000 tonnes of corn and 30,000 tonnes of feed wheat all of optional origin in a tender which closed on Wednesday.

- Price for all the corn was around \$181.50 a tonne c&f and for the wheat \$175 to \$178 a tonne c&f. The corn is for June-September shipment and the wheat for July-August shipment. Sellers for the corn were Nidera and Cargill.

Last week the corn market in the Black-sea region was quiet as most of the local companies were off for eastern festivities. And allot of countries not working on Thursday (and bridge day Friday) due to Ascension Day. Old crop values out of Ukraine traded at prices between 182 and 185US\$ for May/June positions. New crop some vessels traded for OND positions between 50 and 55 over dec CBOT (depending on size and position). Jan/feb'17 trades reported around 58over CBOT March.

Hungarian Danube corn FOB levels old crop traded at a price of 152€ (may/jun). New crop oct/nov traded 144€. Basis January trades were done at levels of 148€.

On the Dutch market, beginning of the week we have seen some movement on the spot and June position around the 175/6€ level with mostly Dutch consumers buying some smaller volumes to cover their basic needs in corn as it is still a high price compared to the other main grains wheat/barley (155/153€ sellers for same position). Jan/mrt'17 positions showed some small movement towards the smaller consumers in Holland around a price of 165€.

Wheat:

Algeria's state grains agency OAIC has issued a tender to buy optional-origin soft milling wheat for shipment in July. The tender sought a nominal 50,000 tonnes but Algeria often buys considerably more in its tenders than the nominal volume sought. The tender deadline is May 10. In its last reported soft wheat purchase on April 8, the OAIC bought about 400,000 tonnes of optional origin grain, thought likely to be sourced from France.

12.5 pro out of Northern Europe old crop was showing less activity then the week before. The originators in Germany for now are relaxed with selling (as they sold the biggest part of the wave before the Saudi tender). New crop was less active; -1 matif dec was the selling idea (-2 for polish/Baltic) but buyers there not ready to pay it (10-12US\$ premium over BS). Russia was quiet last week, new crop nominal value on the 12.5pro is still 180US\$.

Feed wheat was traded towards Spain-med for positions august at 156€, September 157€ and October at 158€.

Feed wheat in the Dutch market showed little activity.

Barley:

Tunisia's state grains agency has cancelled an international tender for 100,000 tonnes of feed barley which closed on Thursday with no purchase made. Offers were regarded as too high (offers were between 170 and 175US\$, Tunisia aimed at levels of 165€). The barley was sought in four 25,000 tonne consignments shipment between Aug. 15 to Oct. 25.

New crop Saudi market stayed relatively unchanged, sellers quoted 175/174US\$ against buyers at 171/2US\$.

For the German barley market the old crop april/may traded around levels of 140€ delivered. Basis September traded around levels of 149€ last week all around the FOB equivalent of 177/178\$ and premiums compared to matif of -19 to -21. So unchanged from the week before.

Dutch market showed some activity on the new crop (sep/dec). As already explained in last week's report, Dutch consumers started to take small positions here with 150€ because the price was getting "cheap" in the feed formula.

South America

Argentina started the week with its currency at 14.34 and ended it gaining some value at 14.2. The Brazilian real started the week at 3.4923 and finished it losing some value at 3,53590. The Buenos grain exchange kept the same estimations for the corn (25mmt) and soybeans (56mmt). Thanks to better weather conditions, harvest could make a great progress. The exchange however did warn that its number may still be reduced. On the Brazilian side, exports of soybeans broke a historical record, more than 10 million tons were shipped during April. There is still concern of how weather conditions will affect the safrinha, exports may be reduced in 5 to 7 million tons.

On the Argentinian corn market, July was openly offered at +60cn, on the other hand buyers were looking at +50cn. For August sellers were aiming at +50cu while buyers were interested in the low +40's. For September a trade was registered at +50cu for up river. For OND positions, no clear sellers were seen, the demand side was looking at values near +45cu. On the new crop, sellers were indicating levels of +30 for April to July and buyers were pointing at low 20's for the early positions. Regarding the wheat, for the new crop, 12pct protein was indicated at 195.

On the Brazilian corn market, the demand for August was looking for prices in the low +60's for Santos/ Tubarao. The offer side was looking at a difference of almost 20 cents at +80cu. For September, sellers were aiming at +75cu for Santos/ Tubarao and mid high 60's if norther ports were included. For OND, sellers were looking for bids above +70, while buyers were willing to pay +55cz.

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