

MARKET REPORT WEEK 46

CORN

After last week's USDA report, CBOT showed a little support this week. Levels just below 420 did increase to 438 on Tuesday, but at the moment we are at 427 which indicates that most traders are reluctant to accept much higher prices basis current USDA numbers. On other hand prices way below current market prices are not expected as it calculates in most formulas and still is the cheapest grain in the world.

South Korea's largest animal feed maker Nonghyup Feed Inc. (NOFI) has rejected all offers and made no purchase in an international tender for 70,000 tonnes of corn which closed on Thursday. The lowest price was \$242.11 a tonne c&f offered by trader CHS for worldwide origin. Position of the tender was arrival before April 5th. In the previous tender (Nov 6th) they passed as well.

A decent amount of corn was traded this week from the Blacksea region, 203\$ traded panamax corn for December position, +69 traded for a January position(200/201\$) and +65 traded for a march position (202/203\$). At the moment December is still offered at 203, first half January at 204 and February onwards positions at +70ch4/ck4. Bids are 5 to 10cts lower.

FOB Danube is trading at 155eur bss January which is totally disconnected from the outside markets like Constanta and up North into Holland.

One of the first countries which is buying deferred positions including new crop up till December 2014 is Spain. Ex-store prices of 175eur are being paid. This is at least replacement level basis BlackSea FOB prices. On the other hand, German consumption is mostly uncovered as from January 2014. It will be nice to see developments for both positions.

WHEAT

GASC was back and bought 240,000 tonnes of Romanian and French wheat for shipment Dec. 1-15 they gave the following breakdown of the purchases with prices on a cost and freight basis:

- 60,000 tonnes of Romanian wheat from Bunge at \$299.74 per tonne;
- 60,000 tonnes of French wheat from Soufflet at \$303.82 per tonne;
- 60,000 tonnes of French wheat from Cargill at \$305.61 per tonne;
- 60,000 tonnes of French wheat from Invivo at \$305.61 per tonne;

Calculated freights were:

Russian +/- \$15;

Romanian +/- 14\$;

French +/- 22\$

A Libyan state backed grain buying agency in Tripoli has purchased 50,000 tonnes of wheat thought likely to be of German origin, Price was said to be \$329 a tonne c&f.

Iraq is tendering for Wheat this weekend as well.

Above is exactly that what the market was talking about during the Geneva conference. "we need some new destination business" .

Eyes are on Iran ; the heavy execution seen out of Germany and Baltics will come to a halt in January and fresh biz will be welcomed.

Russian December is offered at 288 usd; whereas the market is asking for a 5 usd carry for March position optional; nobody out there paying either or.

Japan bought close to 130k feed wheat, US, Canada and Australia as supplying countries.

Australia half way through their crop, results so far on both quality and quantity satisfactory. CBH increased their forecast on the Australian wheat crop to 26 mmt.

Dutch paper market rather quiet, jan/feb small potatoes trading around 203 eur and new crop discussed at MATIF Nov -2/-3

BARLEY

Situation last week's more or less unchanged, meaning

- Full speed harvesting in Australia and some projections talk about crop over 9 million tons up to 9.5 million tons[export over 6 m tons feed and malting]
- harvest in full speed, export figure should be around 2-2.3 million tons
- Canadian crop finished with around 9 million tons, but exporters prefer to use logistics for wheat and Canola
- EU not competitive anymore, just small exports into Morocco/North Africa
- supply ex black sea very small
- stocks in Saudi huge [some talks of 4 million tons]

So pretty dull market, with farmers not aggressively selling crops and consumers relaxed

Trade this week ciff Saudi for may delivery at usd 258.

Next week Jordan import-tender 100000 mt for may/june delivery

EU on Exports and Imports 01/07/2013 - 13/11/2013 (comparison 2011 and 2012)

	EU-28		EU-27		EU-27	
	01/07/2013 - 12/11/2013		02/07/2012 - 06/11/2012		01/07/2011 - 08/11/2011	
	EXPORT	IMPORT	EXPORT	IMPORT	EXPORT	IMPORT
Wheat	10 038 000	740 000	6 444 000	1 920 000	5 781 000	2 729 000
Wheat Flour	384 000	8 000	481 000	9 000	528 000	6 000
Durum wheat	219 000	559 000	419 000	693 000	557 000	776 000
Total	10 641 000	1 307 000	7 344 000	2 622 000	6 867 000	3 510 000
Barley	4 513 000	8 000	2 292 000	11 000	1 815 000	98 000
Maize	1 701 000	2 114 000	474 000	2 577 000	1 329 000	1 119 000
Rye	68 000		44 000		13 000	
Oats	86 000		38 000		42 000	
Sorghum		21 000		46 000		34 000
General Total	17 009 000	3 452 000	10 192 000	5 256 000	10 066 000	4 761 000