

# REPORT WEEK 20

## Wheat:

Chicago only went one way this week, DOWN. For the Dec futures we went from 744 to 697. Because of this Egypt came in the market, only three offers were given of which one was taken by the Egyptians. (See below).

Feedwheat was traded in the Dutch market this week at a -6/-7 premium to matif nov, further offered but buyers waiting.

- Egypt GASC bought 60,000 tonnes of Ukraine wheat for shipment June 20-30
  - The price of the purchase was \$302.49 a tonne on a cost and freight basis. (289US\$ FOB + 13.49US\$) seller was Venus.
- South Korea's Major Feedmill Group (MFG) has purchased 106,000 tonnes of feed wheat in a tender for up to 130,000 tonnes which closed on Thursday. The tender had sought feed wheat from any origin worldwide for October arrival.
  - Some 53,000 tonnes was bought at \$283.00 a tonne c&f for arrival by Oct. 5 plus a \$1.50 a tonne surcharge for unloading at an additional port (seller Nidera)
  - Another 53,000 tonnes was bought at \$283.50 a tonne c&f for arrival by Oct. 25 plus a \$1.50 a tonne surcharge for unloading at an additional port. (seller Glencore)
- Jordan's state grain buyer has purchased 100,000 tonnes of optional-origin wheat in an international tender for the same volume tonnes which closed on Wednesday
  - It was all purchased at \$311 c&f in two 50,000 tonne consignments for shipment in September, likely to be sourced out of Romania.

## Corn:

CBOT did not hold this week. Supportive levels at 488 and 482 were taken as if there was no support. Funds are still long and the fundament will not help them. Weather has to help them, but so far it doesn't look like that and it is helped by perceptions of better corn planting weather. As long as the weather outlook doesn't change, it will be difficult to hold current levels.

Informa released updated US 2014 acreage estimate yesterday, 91.6 million acres vs 95.4 million last year (USDA at 91.7 in 2014).

Physical markets are very slow; one buyer is popping up, Korea, who bought about 600k at prices between \$261 and \$263. See below

- South Korea's NOFI has purchased 130,000 tonnes of feed corn in a tender for up to 140,000 tonnes which closed on Thursday. The tender sought corn from any origin worldwide for November arrival.

- 65,000 tonnes was bought at \$261.54 a tonne c&f for arrival around Nov. 20. Seller was Amaggi.
  - 65,000 tonnes was bought at \$261.70 a tonne c&f for arrival around Nov. 30. Seller was Bunge.
- South Korea's MFG has purchased 188,000 tonnes of corn in a tender which closed on Wednesday.
- 60,000 tonnes of worldwide origin corn for arrival around Oct. 18 was purchased at \$263.10 a tonne c&f plus a \$1.50 a tonne surcharge for extra port unloading from trader Vitol.
  - 63,000 tonnes of U.S. or South American origin for arrival around Nov. 6 was also purchased at \$263.10 a tonne c&f plus a \$1.50 a tonne surcharge for extra port unloading from Cargill.
  - 65,000 tonnes of worldwide origin for arrival around Nov. 16 was purchased at \$263.30 a tonne c&f plus a \$1.00 a tonne surcharge for extra port unloading from Noble.
- Korea's KFA has purchased 120,000 tonnes of corn in an international tender for the same volume which closed on Tuesday
- The first consignment (arrival around Nov. 10) was purchased from Cargill at \$265.45 a tonne c&f plus a \$1.50 a tonne surcharge for extra port unloading, traders said. The first consignment can be sourced from the US/South America or South Africa
  - The second consignment (arrival around Dec. 5) was purchased from Concordia at \$264.55 a tonne c&f plus a \$1.50 a tonne surcharge for extra port unloading. The grain can be sourced worldwide.

Some Russian corn is trading into Turkey in coaster size, levels at \$270 or just below. In Europe (Spain, but also more northern) trade is trying to sell the summer months, but demand is absolutely null due to nearby harvest in barley and decent supply of old crop corn from France.

Ukrainian corn is non-discussed, levels at mid \$250s, new crop prices are being offered at +90cz4, but no bids. New crop corn in Romania is being offered at Eur 170, bid 5 eur lower. Hungarian corn on the river Danube is trading at €159 for OCT/NOV positions, basis Jan just over 160eur. Dutch market very quiet this week.

## Barley:

Finally it seems that Saudi buyer started to buy new crop needs and we understand 500/600000 mt for July/September period has been sold by trade at levels of around US\$ 255/256 cippo. Sales will be based on Black Sea originations from Russia/Ukraine/EU Black Sea. Especially Russian suppliers starting to sell early for the new season. Northern EU prices much higher and because of this not competitive. Some concern about Spanish barley crop due to hot and dry weather and we noticed first imports already into Spain.

Besides barley inside EU is well prices compared to corn and feed wheat.

Barley sep/dec 2014 cippo Dutch interior big ports €180

Corn oct/dec 2014 cippo Dutch interior big ports €182

Feedwheat sep/dec cippo Dutch interior big ports €193

Australia levels pretty stable around usd 255 fob and some China shorts still to be covered.

Canada not competitive due to local Logistics and fob level usd 260 fob

- Jordan's state grain buyer has issued a new international tender to purchase 100,000 tonnes of animal feed barley. The grain can be sourced from optional origins. The tender closes on May 20.