

Report week 44

Corn:

A group of Israeli private buyers purchased an unknown volume of corn and feed wheat to be sourced from optional origins in an international tender which closed on Wednesday. The tender had sought up to 125,000 tonnes of corn, 35,000 tonnes of feed wheat and 15,000 tonnes of barley.

- The corn was purchased at \$178.75 a tonne c&f for shipment between Dec. 25, 2015, and Jan. 20, 2016, also at \$180 a tonne c&f for shipment between Jan. 25 to Feb. 15, 2016, and at \$181.50 a tonne c&f for shipment between Feb. 20 to March 10, 2016. Sellers were Nidera and Cargill.
- The feed wheat was all purchased at \$194.75 a tonne c&f. Seller was ADM
- The group rejected offers for feed barley

In the Black Sea (Ukr) was relatively quiet last week, the nominal values for November/December'15 were +55 vs +45. After Christmas positions nominally quoted +60/65 vs +50/55.

Hungarian Danube corn FOB levels nov/dec positions last week traded around 151€, Basis January traded around 156€. This is still too expensive to bring to EU destinations like Germany or Holland.

Corn in the Dutch market some Jan/march traded around the 172€ level and apr/jun between 181 and 178€. A big spread for only 3 months, this has to do with the fact that Brazil can't supply these months and Ukraine is the only alternative to supply at these prices. Jul/sep traded with 175 and oct/dec'16 with 172€.

Wheat:

A group of animal feed makers in the Philippines has purchased about 55,000 tonnes of feed wheat thought likely to be sourced from South America

- It was purchased at about \$194 a tonne c&f for March shipment, seller was Gavilon

Egypt's (GASC), has bought 240,000 tonnes of wheat in a tender for Dec. 1-10 shipment Traders gave the following breakdown of the purchase:

- 60,000 tonnes of Romanian wheat from Ameropa at \$199.99 a tonne free-on-board(FOB) and \$6.87 a tonne freight also from Ameropa equating to \$208.86 a tonne cost and freight (C&F)
- 60,000 tonnes of French wheat from Soufflet at \$197.64 a tonne FOB and \$14.12 a tonne freight from United Marine equating to \$211.76 a tonne C&F
- 60,000 tonnes of Polish wheat from ADM at \$195.74 a tonne FOB and \$13.43 a tonne freight from Mina Egypt equating to \$209.17 a tonne C&F
- 60,000 tonnes of French wheat from Bunge at \$198.24 a tonne FOB and \$11.62 a tonne freight from United Marine equating to \$209.86 a tonne C&F

Jordan's state grain buyer has made no purchase in an international tender to buy 100,000 tonnes of hard milling wheat which closed on Tuesday. A series of wheat and barley tenders issued by Jordan in the past month ended without a purchase. Dealers said major trading houses were unwilling to participate in the tenders. The limited selling interest to Jordan was due to stricter tender terms on grain quality inspection and payment
Jordan has also issued an international tender to buy 100,000 tonnes of animal feed barley which closes on Wednesday.

Milling wheat's out of northern Europe were quite active last week with German cargo's (12.5pro) trading between -1 and -3 for nov/dec positions, most probably with destination Ethiopia. Baltic/Polish for the same positions traded around -4/-5 matif Dec, with most probably destination Saudi-Arabia, and one for sure to Egypt (see above tender)

On the Dutch market the front positions nov/dec are technical, the low water level on the river Rhine is not helping shipments towards the Dutch inland big ports, so traders are working to arrange their logistics. Jan/jun traded some volume around 180/181€ level.

Barley:

For the German barley market there was a negotiation on FOB for November with -14 vs -12. At that time around 185/6US\$ FOB. Delivered market traded around these levels equivalent.

Saudi claimed to have bought around 195US\$ CIF for dec/jan/feb positions but until now not confirmed. Offers in the trade for these positions are more around the 200\$ level.

Dutch market for barley was quiet.

South America:

The political situation in South America was mainly focused on the results of the elections in Argentina. The opposition parties were considered as the great winners, even with the government candidate receiving 3% more votes. On the 22nd of November we will have a 2nd round in which Mr Scioli will try to become the president and continue the politics of the current government, while Mr Macri wants to bring a change to the country. Most of the other opposition candidates have publicly shown support for Mr Macri so it will be a very interesting race. As Macri promised to change drastically the agricultural and monetary policies, we will not see too much farmer selling until the president takes office on the 10th of December.

Weather wise we see rains continuing to hit southern Brazil, where the harvest of wheat is at full pace. There are some worries about the quality of the wheat but in the market we see sellers guaranteeing a maximum of 5ppm Vomitoxine and test weight of min 72kg/hl. In Argentina in the north the harvest of wheat has also started. The Bs As grain exchange is showing a production number of 9.5mio tons which is abt 19% less than previous year.

In the market we saw some trades of Brazilian feed wheat for December/January delivery at levels around USD 170/173. On the corn the premiums ended firming up quite something with trades taking place. Main buyers were exporters' short covering their sales as domestic freight prices are going up. December traded between +60cz and +62cz and January was done at +60ch. In Argentina the premiums were also firmer but demand is not willing to accompany the firmness over there. By the end of the week December was offered at +60cz with buyers at +45cz.

Sunseed/Sunoil

Ukrainian Sunflower oil showed a clear reversal during week 44. While the spread between Ukrainian Sunflower oil and Argentinian Soybean oil stayed round 130USD there was some pressure coming from the sellers. Due to farmers selling some more of the Sunflower seeds in Ukraine and Russian Sunflower oil coming into the market long holders of Ukrainian Sunflower oil started to push in order to reduce their position. Especially with destination keeping quiet the market spiralled down rather quickly. While the most liquid positions were the JFM, the buying side stayed thin throughout the week. With almost everyday buyers reducing prices there was only one trade recorded at 790USD for a full run of JFM.

Even with this push down on the Ukrainian Sunflower oil the Sunflower seeds market in Constanta was showing again firmer buying levels for week 44.

This week started with buyers improving prices to 460USD levels while the sharpest seller was at 473USD. Finally there was some demand seen at high 460s USD at the end of the week so even with this oil market buyer kept firm while sellers were still not motivated to offer.

