

# **Report week 38**

## **Corn:**

In the Black sea (Ukr) it was very quiet last week with sellers showing +45 for pre-Christmas positions but buyers indicating +35 levels. A trade was confirmed @ 37 over the Dec CBOT for November position. January onwards positions nominally +55 vs +45.

Hungarian Danube corn FOB levels traded oct/nov positions last week around 142€ level. Basis January traded between 147 and 145€.

Corn in the Dutch market was really quiet with buyers and sellers far apart.

## **Wheat:**

Jordan's state grain buyer has purchased 100,000 tonnes of optional-origin hard wheat in an international tender for the same volume which closed on Tuesday. Jordan made no purchases in five previous tenders for 100,000 tonnes of wheat in September and August, with traders citing limited selling interest among international trading houses due to concerns about inspection and payment conditions.

- The wheat was purchased on Tuesday at \$224 a tonne c&f for shipment in November, seller was said to be Dolge.

South Korea's (FLC) purchased 60,000 tonnes of feed wheat which can be sourced from any origin worldwide in a deal on Tuesday

- The wheat was purchased at \$197.95 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading. The wheat should arrive around Mar. 15, 2016 and the seller was Cargill

South Korea's (KFA) purchased 25,000 tonnes of feed wheat to be sourced optionally from the United States, Europe, Australia or Canada in a tender on Friday

- The KFA's Busan section made the purchase at \$199.95 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading. The wheat should arrive at the ports of Incheon, Ulsan or Busan by Feb. 28, 2016 and the seller was CHS

South Korea's (NOFI) bought about 50,000 tonnes of feed wheat to be sourced from optional origins in an international tender which closed on Thursday. NOFI had sought up to 130,000 tonnes of wheat in the tender for March/April 2016 arrival in South Korea.

- The wheat was purchased at \$196 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading and seller was again CHS

Egypt's (GASC), has bought 230,000 tonnes of Ukrainian, Russian and French wheat in a tender for Oct. 21-31 shipment with the following breakdown of the purchase:

- 55,000 tonnes of Ukrainian wheat from Venus at \$174.95 a tonne free-on-board (fob) and \$13.45 a tonne freight from Venus
- 55,000 tonnes of Russian wheat from Glencore at \$182.80 a tonne fob and \$9.70 a tonne freight from National Navigation
- 60,000 tonnes of Russian wheat from Olam at \$183.95 a tonne fob and \$8.55 a tonne freight from National Navigation
- 60,000 tonnes of French wheat from Soufflet at \$177.74 a tonne fob and \$15.63 a tonne freight from National Navigation

Milling wheat's Fob in Germany and Poland still no big action with the local market paying better prices. The nominal value for Black sea 12.5protein was around 182\$ (oct), 185\$ (nov) and 187\$ (dec). Feed wheat in the black sea was traded 160\$ for oct and 164\$ for nov positions.

On the Dutch market last week some movement on the feed wheat with front positions sep/oct trading around 165/166€ levels. Jan/jun traded at 174/173€.

## **Barley:**

Jordan's state grain buyer has purchased 50,000 tonnes of animal feed barley to be sourced from optional origins in an international tender for up to 100,000 tonnes which closed on Wednesday

- The barley was bought at \$209 a tonne c&f for shipment in the second half of December and the seller was Dolge.

French barley market was quiet last week with uncertainty of new demand out of China nominal levels around 175\$ FOB. For the German barley market new crop was traded at 175\$ FOB equivalent in the delivered interior market. Black sea levels still quoted around 175\$, depending on position. Saudi market CIF far apart with sellers around 198/197\$ but SGAF bidding only 190/191\$. Saudi buying more cargo's FOB around this 175\$ number.

## **South America:**

The political climate in South America continues to be tense. In Argentina everyone is focused on the upcoming elections in the end of October. The provincial elections are being looked at as they will set the tendency for the 25<sup>th</sup> of October. In the Northern provinces, the elections take place with a lot of problems. Opposition claiming fraud, judicial fights to define if the elections were correct and a divided country with on one side the government party and on the complete other side the opposition parties. Polls are still indicating that elections will go to ballottage with a slight advantage for the candidate of the governing party. Brazil is not much different with regards to the division of the people.

Economically, the Brazilian real once again devaluated last week and ended on Friday at 3.96. getting closer and closer to the psychological barrier of 4. It did start to have some

effect on the grain prices; however it also caused some worries on the origination. The current price for forward grains in local currency, even with lower international flat prices is much higher than it was a couple of weeks ago. If this continues, the probability of default might be much bigger than everyone wants it to be. The premiums following international tendency did come down a bit last week and traded at 44cz for October in Santos and 47cz for December shipment in Santos Tubarao. New crop December traded at 9cz for Santarem port and it is very likely that this cargo will go to the United States. In Argentina the week was a bit more quiet with premiums offered at 30cz but any bid close to 25 should be considered for October. November was a bit more protected at 38cz. New crop is not really an issue, with offers at 40ck for March.