

Report week 39 (2016)

Corn:

South Korea's (KOCPIA) purchased about 55,000 tonnes of yellow corn likely to be sourced from the United States in tender which closed on Wednesday.

- The corn was purchased at \$191.30 a tonne c&f including surcharge for additional port unloading. The grain is for arrival in South Korean around Jan. 10, 2017.

The free trade agreement between South Korea and the U.S. helped make U.S. offers more competitive because of the lack of import tariffs.

South Korea's (MFG) purchased around 69,000 tonnes of optional-origin yellow corn in a private non-tender deal on Thursday. The MFG purchase was made following separate international tenders for corn by Korean groups NOFI and the Korea Feed Association (KFA) Busan section.

- The MFG purchase was made at \$183.00 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading. It was for arrival in South Korea around Jan. 10, 2017.

The Korea Feed Association (KFA) purchased about 120,000 tonnes of yellow corn which can be sourced optionally from any origin worldwide in a tender which closed on Thursday, European traders said.

The tender from the KFA's Busan section had sought the corn in two consignments.

- The first consignment of 60,000 tonnes for arrival around Jan. 20, 2017, was purchased at \$183.99 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading
- The second 60,000 tonne shipment for arrival around Feb. 25, 2017, was bought at \$184.99 a tonne c&f plus a \$1.00 a tonne surcharge for additional port unloading

South Korea's (NOFI) purchased about 134,000 tonnes of worldwide optional-origin yellow corn in a tender which closed on Thursday. The corn had been sought for arrival in January. The corn was purchased in two consignments.

- One shipment of 65,000 tonnes was purchased at \$182.99 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading for arrival around Jan. 10, 2017. The seller was Concordia.
- The second consignment of 69,000 tonnes was purchased at \$183.77 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading for arrival around Jan. 25, 2017, seller was Cargill.

CBOT corn (dec) moved 10-15 points up during the week 330 → 345 points. O/N/D positions quoted from sellers around 80/85 over vs buying ideas around 75 over (FOB Ukraine), some trades done between 75 and 80 over. J/F/M same premiums but then over the march CBOT. New crop OND'17 was traded a few times at a premium of 60 over.

Even though the Danube was getting low on waterlevels the Hungarian Danube corn FOB market was showing some activity last week. Oct/Nov traded around levels of 125€, bss January was too expensive as farmer reluctant to sell at these prices €135 was the nominal value.

On the Dutch market we have seen some decent movement on the corn OND positions traded around 162/163€ levels (for European NON-GMO corn). JFM'17 traded around 165/166 also for non-gmo corn. OND'17 traded at same price.

Wheat:

Egypt's (GASC) bought 240,000 tonnes of Russian wheat on Thursday in a tender, its first successful purchase since abolishing a "zero ergot fungus" rule that had halted its previous three tenders. "There was an amendment made so that final inspection of the wheat would be at the load port, and that is much better than what it was before," offers were booked basis below in dollars per tonne C&F:

- Louis Dreyfus: 60,000 tonnes of Russian wheat at \$186.80 C&F
- Union: Three cargoes of 60,000 tonnes of Russian wheat at \$187.11 C&F

Tunisia's state grains agency has purchased 67,000 tonnes of soft milling wheat in an international tender which closed on Wednesday. The agency also purchased around 42,000 tonnes of durum and 25,000 tonnes of feed barley.

The grains can be sourced from optional origins:

- The soft wheat was purchased in three consignments at \$182.45 a tonne c&f from Cofco Agri, \$182.75 a tonne from Cargill and at \$182.78 a tonne c&f from Casillo Commodities.
- The durum was bought in two consignments, one at \$287.38 a tonne c&f from Casillo Commodities and one at \$287.19 a tonne c&f from Glencore.
- The feed barley was all purchased at \$167.00 a tonne c&f from Cofco.

The wheat was sought for shipment between Nov. 15 and Dec. 25, 2016, the durum was sought for shipment between Jan. 15 and Feb. 15, 2017, and the barley between Nov. 25 and Dec. 15, 2016, with periods depending on grain origin.

A flour mill based in Bahrain has issued an international tender to purchase about 25,000 tonnes of wheat which can be sourced from any optional origins.

The tender deadline is Oct. 4 and offers must be valid until Oct. 5.

Shipment is sought during December 2016 for arrival at the latest by Jan. 14, 2017.

Semi-hard wheat of between 11.5 percent minimum protein content to 13.5 percent maximum protein content was sought.

Egypt's General Authority for Supply Commodities (GASC) set a tender on Monday to buy an unspecified amount of wheat from global suppliers for shipment from Nov. 1-10.

At its last tender on Sept. 22, GASC bought 240,000 tonnes of Russian wheat, its first successful purchase since abolishing a "zero ergot fungus" rule that had halted its previous three tenders. Last tender was booked at the following prices C&F:

- Louis Dreyfus: 60,000 tonnes of Russian wheat at \$186.80 C&F
- Union: Three cargoes of 60,000 tonnes of Russian wheat at \$187.11 C&F

Blacksea some decent action noticable last week in milling wheat. Russia/Ukraine trading 12.5pro for nov/dec positions around 172US\$ levels FOB. For 11.5pro a decent amount of trades were reported with destination India around 165/166US\$ for oct/nov positions.

Feed wheat in the Dutch market was relatively quiet with consumers checking front positions to cover their last needs in oct/nov. Jan/jun (buyers call) traded at 165€.

Barley:

Jordan's state grain buyer made no purchase in an international tender for 100,000 tonnes of feed barley which closed on Thursday. A new tender is expected to be issued closing on Oct. 5. Jordan has struggled to make purchases in a series of grain tenders in recent months, with traders saying uncertainty about new quality controls and payment terms has reduced participation by major grain exporting houses.

Jordan also issued a new tender for 100,000 tonnes of wheat on Thursday after not making a purchase in its previous wheat tender on Wednesday.

German delivered barley market traded last week around levels of 138€ for bss october (around 160US\$ FOB eq.)

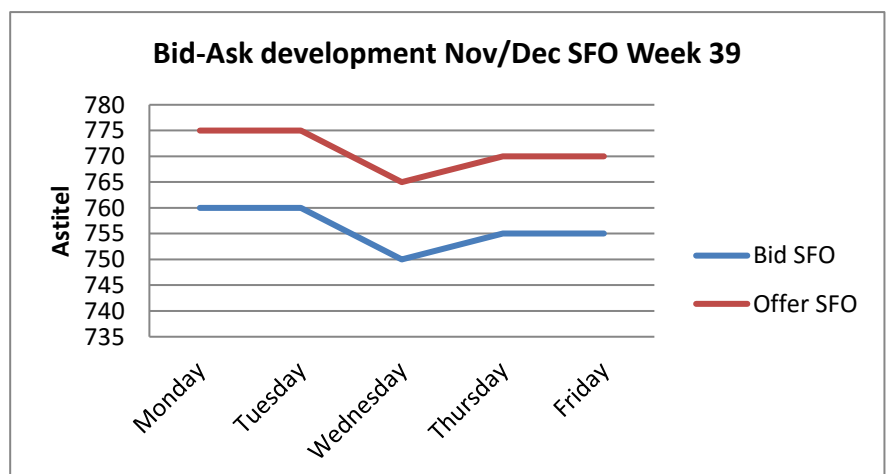
On the Dutch market we have seen some activity on the front market Oct/Nov at around 148€. Jan/jun a couple of trades were done at a price of 150/151€.

Sunseed/Sunoil

The Ukrainian Sunflower oil market is keeping the long term weakness of a great crop going over the last few weeks. The Blacksea SFO market is keeping a clear inverse as the support is mostly found in the technicality of the spot position. October still finds some longs showing 775 usd, waiting for the few small shorts to panic. Overall for October 765 is being bid during the week but trades have been recorded where buyers are meeting the offering levels for some limited volume. Otherwise the November/December positions are showing most liquidity where the selling side is rather active starting the week at 775USD and moving to 770USD during end of the week. The buying side is moving between 760USD and 755USD throughout the week. With best buyers mostly coming from long swaps, selling October and buying November/December.

The Blacksea Sunflower seeds market after a active period is slowing down a bit. With nearby shorts being mostly covered the support is now depending on the crush. Which with this weak SFO is not showing the same run for SFS as the originators have seen from the shorts. Best buyer seen was showing 395USD starting the week and moved to 393USD towards the end of the week for the November position.

The sellers however sold some good volume and with farmers holding back a bit started off with offers at 404USD and moved to 398USD during end of the week.



South America

The peso ended the week a little bit firmer at 15.3. The real stayed very stable. It ended the week quoted at 3.2459. Really worrying numbers were released by the national institute of statistics of Argentina. According to their survey 1 out of 3 citizens is considered poor. Macri showed himself very concerned about this issue. He said that this indicator was very important to know where they were standing and he said being very optimistic to end his mandate with much better indicators.

Brazil is going through a big political change, last weekend elections were held for local government in the major cities. The PT, the political party of the former president, has lost a great part of its support. On the last elections they won in 15 cities, now they have possibilities to win in only 8 cities during the second round.

According to the Buenos Aires grain exchange, the process of the wheat crop is going very well. The last rains have helped to provide the necessary moisture in the ground. In the north of the country the situation is not the same, some rains will be needed in that area. The corn planting is taking place in a good rhythm, 21.5% is already planted. On the corn market, for November, sellers are willing to sell at 98cz. Action is taking place on the new crop where premiums are getting weaker. March is being offered at +60ch, June +40 and July at 35. On the last position, a pmx was traded at +35cn. Now demand is looking for June pmx at +30cn. Regarding the wheat, for the new crop, sellers are willing to sell 12 pct prot at 170 and 11.5 at 165.

On the Brazilian corn market, not much action is taking place regarding this crop. Most of the sellers are looking for the new crop, premiums start to look weaker. August was offered at +65 and September at +60. Demand is still not reacting to these numbers.