

# Report week 12

## Corn:

South Korea's largest feedmaker Nonghyup Feed Inc (NOFI) purchased 206,000 tonnes of corn and 53,000 tonnes of feed wheat, all of optional origin, in an international tender that closed on Tuesday. The tender had sought yellow corn for October arrival and wheat for September arrival. The corn was purchased in three consignments.

- One consignment of 68,000 tonnes of corn of any origin worldwide for arrival around Oct. 1 was purchased at the flat price of \$192.90 a tonne c&f.
- A further consignment of 69,000 tonnes for arrival around Oct. 5, which can be sourced from the United States or South America, was bought at a premium of 97 U.S. cents a bushel c&f over the Chicago September corn contract.
- Another consignment of 69,000 tonnes of corn for arrival around Oct. 15, which can also come from the United States or South America, was purchased at a premium of 96 U.S. cents a bushel c&f over the Chicago September corn contract.

All three corn consignments have a \$1.50 a tonne surcharge for additional port unloading and all three consignments were sold by ADM.

- The feed wheat from any worldwide origin was sold in a single 53,000 tonne consignment at \$205.88 a tonne c&f, plus a \$1.50 a tonne surcharge for additional port unloading. The wheat was for arrival around Sept. 25 and sold by Concordia.

The Korea Feed Association (KFA) purchased about 60,000 tonnes of optional-origin corn in a tender which closed on Wednesday

- The corn was purchased by the KFA's Busan section at \$191.88 a tonne c&f for arrival by Oct. 25 plus a \$1.50 a tonne surcharge for additional port unloading, seller was Concordia. It can be sourced optionally from the United States, east Europe, South America or South Africa.

South Korea's KOCOPIA purchased about 54,000 tonnes of optional-origin corn in a tender which closed on Wednesday

- The corn was purchased from Cargill at \$196.15 a tonne c&f including a surcharge for unloading at a second port. The tender had sought arrival by July 15.

Black sea (Ukraine) was relatively active last week with €/ \$ correcting a bit, making the Dollar based offers more interesting than the week before. Down to 162\$ was traded for front position Nikolayev. May was traded @ 168\$ for panamax size. New crop was traded at the beginning of the week at premiums of +25/+27, afterwards buying interest remained around these premiums but now sellers indicating +35.

Constanta was traded around the 158€ level for April position. This calculated around 168\$ at that time.

Hungarian Danube corn FOB levels traded old crop basis April last week between 136 and 137.5€ new crop basis October traded @ 143€.

On the Dutch market some decent activity was noticeable. May/June was traded around 171€. For the new crop Oct/Dec traded between 172 and 174€, further positions Jan/Mrt and Jan/June were traded at 181€.

## **Wheat:**

German/Polish milling wheat market really quiet last week as flat prices are considered too high for the world market. German old crop 12.5 nominal (225\$) Polish (223\$), with Russians offered old crop 12.5 at 215\$ makes the German/polish parcels too expensive. New crop same story with German (222\$) and Polish (216\$) not interesting compared to the Russian prices of 200\$ and even below this with local Russian counterparties.

Feed wheat Dutch market was very active on the old crop positions April – May – June. Some volume traded around 185/186€ and afterwards with matif firming up traded up to 190/191 € level. New crop moved along with matif (sellers -4/5 under Dec vs buyers around -8)

## **Barley:**

French barley still an active topic with good demand from China. Were we were talking values of 204\$ FOB last week, now sellers demand between 212 and 210\$ FOB. With these firm FOB values, France gets competition from Canada (220\$ FOB). For the German barley market old crop is quoted around 188\$ FOB and new crop nominal values are around 194US\$. Saudi is bidding 195\$ CIF for jul/aug positions and 200\$ for September onwards. So

Dutch market some activity noticeable also front positions (apr/jun), trades between 172 and 177€, and new crop traded a bit lower 174/175€ level.

## **Sunseed/Sunoil:**

Ukrainian Sunflower oil was most active on the April position during week 12. Market was indicating some shorts on this position with a tight selling side. Start of the week April was traded at low 750s USD. During this same period May/June positions traded between 745 USD and 750 USD, which showed as small inverse being created due to the technicality on the April. Towards the end of the week Sunflower oil started firming up a bit which led to buyer willing to pay between 745 USD and 750 USD for May/June positions against offers at 760 USD. The April firmed even quicker with few trades being record slightly below 760 USD. During the first part of the week crusher were still not participating as they are not making these prices. Towards the end of the week market came closer to the idea of the crush which was seen offering slightly below 760 USD as its sharpest level for AMJ positions. Due to this price resistance that crusher are showing it still seems Sunflower oil is able to create/follow its own path. As suggested last week we were again able to see that during price decreases in Palm and Argentinian Soybean oil the Ukrainian sunflower oil was able to more or less keep the same levels. Only in the cases of prices increases in Palm and Soybean oil the Sunflower oil reflect the movements.

The Sunflower seeds market on the Black sea was again rather slow during week 12. Old crop market was not showing many participants. Nominal value should have been round 405

USD, a touch firmer from last week. New crop sellers decreased prices a bit from last week which led to a trade being recorded at 370 USD.

