

Report week 30 (2016)

Corn:

CBOT corn (dec) was relatively stable last week around 340points. O/N/D positions traded between 95 and 105 over out of Ukraine FOB. Jan/feb positions were far apart with sellers looking at prices/premiums of 125/120 over vs buyers looking at premiums of 105.

Hungarian Danube corn FOB market was showing a little activity last week. Oct/Nov traded around levels of 137€, bss January around 140€.

On the Dutch market we have seen some activity on the aug/sep positions with trades done around 175€ level for standard paper conditions. European non-gmo makes a premium of 4-5€ compared to this. OND was traded at prices around 166€ and jan/mrt at 169/170€.

Wheat:

Egypt's (GASC), has received offers from nine trading firms in a wheat import tender being held on Tuesday. The results of the tender, which is seeking wheat for Sept. 11-20 shipment, are due later on Tuesday. Traders said the following offers were made in dollars a tonne FOB:

- Venus: 55,000 tonnes of Ukrainian wheat at \$167.60
- Midgulf: 60,00 tonnes of Russian wheat at \$168.95
- Union Co.: 60,000 tonnes of Russian wheat at \$168.96
- Union Co.: 60,000 tonnes of Russian wheat at \$169.97
- ADM: 60,00 tonnes of Russian wheat at \$171.85
- Daewoo: 60,000 tonnes of Russian wheat at \$171.85
- Alegrow: 60,000 tonnes of Russian wheat at \$172.45
- ADM: 60,000 tonnes of Romanian wheat at \$174.50
- Ameropa: 60,000 tonnes of Romanian wheat \$174.55
- Nidera: 55,000 tonnes of Russian wheat at \$175.50
- Olam: 60,000 tonnes of Russian wheat at \$176.80
- Nidera: 60,000 tonnes of Romanian wheat at \$177.90

Egypt's (GASC), said on Thursday it had bought 120,000 tonnes of Russian and Romanian wheat in a tender. With the following rundown of prices:

- ADM: 60,000 tonnes of Russian wheat at \$168.85 a tonne free-on-board and \$7.51 a tonne freight equating to \$176.36 a tonne cost and freight (C&F)
- ADM: 60,000 tonnes of Romanian wheat at \$169.90 a tonne FOB and \$8.09 a tonne freight equating to \$177.99 a tonne C&F

Jordan's state grains buyer purchased 50,000 tonnes of hard milling wheat to be sourced from optional origins in a tender for 100,000 tonnes which closed on Wednesday.

- It was purchased at about \$202.50 a tonne c&f for shipment in the first half of February 2017. Seller was said to be trading house Nibulon.

Blacksea still leading the show on export of wheat (see above GASC tenders). Outside gasc last week traded 12.5 pro between 167 and 170 US\$ FOB for aug/sep positions. 11.5pro on same positions quoted around 161/162US\$ and feedwheat traded around levels of 153-154US\$ FOB.

Feed wheat in the Dutch market showed little movement last week, some trades reported for sep/dec - oct/dec position at levels of 161/162€. Trade is closely monitoring the condition/quantity of the wheat crop in the EU before making any major moves in feed wheat.

Barley:

German delivered barley market traded last week around levels of -25/-26 to matif DEC, prices between 147 and 144€ (still 163-165US\$ FOB eq.)

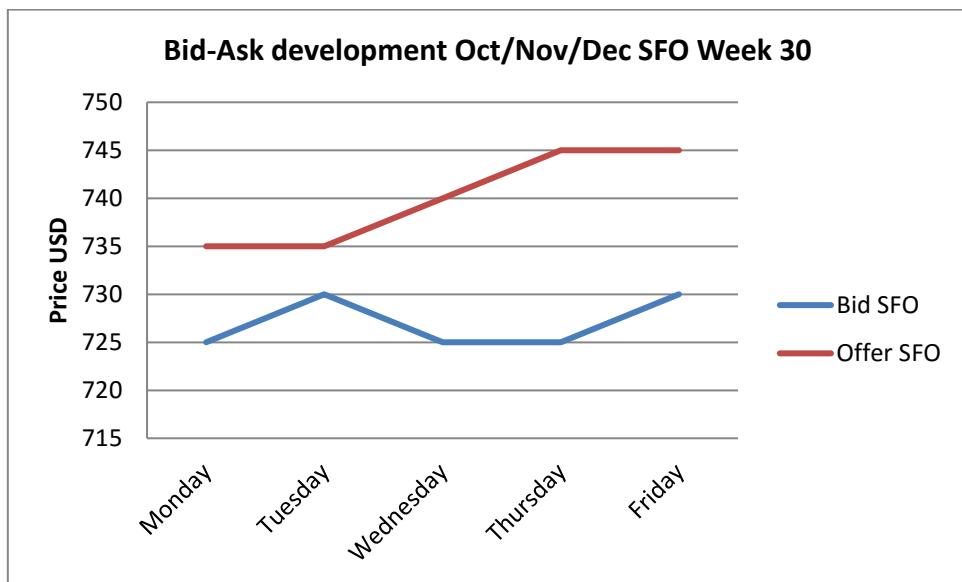
Black sea barley moved up last week with trades reported for aug/sep postions between 150 and 153US\$ FOB. With Australian barley taking over the supply towards China (170US\$ FOB), interest in the Ukrainian origin cooled down a bit.

On the Dutch market it was not very active on the barley. Traders busy with solving their logistics on the aug/sep positions, rather then putting new trades in the books.

Sunseed/Sunoil:

The Ukrainian Sunflower oil market is still finding a rather limited upside while on the otherside also seems to have found some bottom. The Sunflower oil market has been heavy on both old and new crop for some time now. On the oldcrop liquidity is decreasing by the day which is making bid-ask spreads larger after swings on the CBOT. Comparing oldcrop August/September to nowcrop October/November/December positions the spread decreased for Fob Ukraine from 40usd to 30usd inverse and on 6ports from 15usd to 5usd inverse. Otherwise for the newcrop the October/November/December positions are showing most liquidity where the selling side is becoming more active. The week started with offers for OND round 735USD and moved away to 745 towards end of the week. Primarily the trade is trying to create some short position on the new crop so when they are not active in this period of some holidays.

The Blacksea Sunflower seeds market slowly but surely getting more active. With EU crushers still not ready to commit, the keeps feeling heavy, however offers were not willing to reach far below 375USD for the September position. Best buyer seen was showing 372USD end of the week in order to cover some position. Otherwise the crush is starting to give some support to this market round 365USD. This is due to the ARAG market showing gross crush margin losing 10usd and falling to +/-30 USD. For week 31 the September position on Blacksea was unchanged and sellers started at 375USD against some short-covering at 371USD.



South America

Both the Argentinean and the Brazilian currency have been very stable these days. The peso was quoted by the end of the week at 15.11. The real finished the week at 3.2395. Macri met with Enrique Peña Nieto (president of Mexico), their main objective is to reestablish their bilateral relationship. The trade of good and services has decreased drastically, -24% in 2014, the main reason for this were protective measures taken by the former president. The organization of the Olympic Games is very worried because of a possible terrorist attack during the games. Last week another suspect was captured that according to local authorities was linked with the Islamic State and planning a terrorist attack.

The estimate of hectares harvested for the wheat was reduced by the Buenos Aires grain exchange from 4.400.000 to 4.300.000. The main reasons for this cut were the delay in the beans harvest, that isn't finished yet, and the bad weather conditions of the last days. The corn made a progress of 6 points getting to 58.6% of the total area harvested. On the corn market, it was difficult to get offers for spot position. However, last Friday a September was traded at +143cu. For OND, more sellers started to show up and premiums went down. October was offered at +138. November was openly offered at +140 but at +135 they will be willing to sell. For December no open value but nominally at +145cz sellers could be found.

The Brazilian poultry and pork Industry is still demanding corn. Local prices continue very high, therefore they will continue importing. Also the strong real is helping the farmer to buy abroad. On the corn market, the same situation as the last weeks, not many offers around. Interest to buy continues looking for values next to +155. Last Thursday a November was traded at +160cz. The sellers are mainly looking at the new crop, September was offered at +80cu with buyers aiming at +65cu. There are rumors that last Tuesday an August was traded at +75cu.