

Report week 46 (2016)

Corn:

South Korea's (FLC) purchased 117,000 tonnes of yellow corn in a private, non-tender deal on Tuesday.

- The corn can be sourced from optional origins. Some 50,000 tonnes was purchased at \$182.90 a tonne c&f for arrival in South Korea around March 10, 2017. Seller was CJ International.
- Another 67,000 tonnes was purchased at \$183.50 a tonne c&f for arrival in South Korea around March 20, 2017. Seller was Pan Ocean.

South Korea's (NOFI) purchased 68,000 tonnes of yellow corn to be sourced from optional origins in a direct, non-tender deal which took place on Monday.

- It was purchased at \$183.99 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading. It was for arrival in South Korea around March 20, 2017.

Dec positions showed some movement last week in the Blacksea, with the month of December coming closer trading companies want to settle their positions before the end of the year. Between 75 and 80 over dec CBOT traded for the DEC positions. J/F/M showed some trades around 70-73 over march CBOT. New crop O/N/D remained quiet, nominal value in premiums 45 over vs 35 over DEC'17 CBOT.

On the Danube, Nov/15-dec traded at levels around 135€. Bss January was showing some movement between 138 and 140€.

On the Dutch market we have finally seen some action in corn (nothing major) for positions after the new year. JFM traded around 174€, AMJ at 170/171€, and OND between 169 and 171€.

Wheat:

Algeria's OAIC bought 580,000 tonnes of optional-origin milling wheat in a tender that closed on Tuesday. Prices paid ranged from \$201 to \$201.50 a tonne, cost and freight included, and shipment was due in January. Main sellers were quoted to be Cargill/LDC/Invivo and Soufflet but Algeria does not publish details of its international tenders and results can be revised when traders report additional sales.

The origin of wheat supplied is at the seller's option, but traders thought it was likely to be sourced from the United States, Germany and the Baltic states, with any U.S. wheat to be of the hard red winter (HRW) variety.

Argentine wheat was very competitively priced but traders said it may not meet Algeria's strict limit on bug damage.

Bangladesh will import 200,000 tonnes of wheat from Russia in a government-to-government deal at \$245 a tonne in a bid to build reserves, head of the state grains buyer said on Tuesday. "We will sign the deal with Russia's state agency soon," Badrul Hasan, the head of the Directorate General of Food, Bangladesh's procurement agency. Earlier this year, Bangladesh had rejected three cargoes of Russian wheat, totalling 150,000 tonnes, over quality concerns.

Jordan's state grain buyer has made no purchase in an international tender to buy 50,000 tonnes of milling wheat which closed on Tuesday. The Middle Eastern importer has been struggling to import wheat and barley in past months after changed terms on quality control and payment were introduced which reduced tender participation by international trading houses. Jordan had made no purchase in its previous tender for 50,000 tonnes of wheat on Nov. 15.

Blacksea 12.5 pro action cooled down a bit compared to last few weeks. 11.5pro traded with destination India at 183US\$ for Dec positions (around same price as 12.5pro).

Feed wheat in the Dutch market was very quiet, prices moved up and consumers not willing to pay up with the movement on the screens.

Barley:

German delivered barley market traded last week around levels of 148/149€ for bss January (around 162/163\$ FOB eq.)

Outright a vessel of baltic and a vessel of german barley traded FOB at a little discount to the delivered market 160/161 US\$ FOB at the time of trade.

On the Dutch market it was quiet on barley.

South America

The peso gained some value the first days but then it remained rather stable, ending the week at an average of 15.5 against the dollar. The real ended the week gaining some value, it was quoted at 3.3914. High position politicians continue going to jail in Brazil, now it was the turn for Sergio Cabral, former governor of Rio de Janeiro. He was found responsible for making contractual agreements for more than 220 million reais with companies for some public construction works.

The Buenos Aires grain exchange registered that 40.3% of the corn is already planted. Compared with last year this is 3.1 points ahead but we must also consider that an increase of the total area of 27% is expected. The harvest of the wheat is slowly progressing in the north. The weekly progress was 2.9 percent, reaching 12.1% of the total area. The average yield was 1.8 mt/ha which is more than expected. On the corn market, a business was registered for the old crop at +105cz, this seems very expensive considering other origins. On

the new crop, April/ May was offered at +45ck, June at +35cn, July at +33cn and August was indicated at +27cu. Regarding the wheat, offers for 12% prot remained at 168/170/174 for December/ January/ February shipment respectively. Demand rather quiet last week.

On the Brazilian market all the talks were about the subsidy of the government on the wheat. Everybody was expecting a decision on Friday, but no further update until now. Demand is willing to buy at 160 but sellers are not able to get to these values without the subsidy. On the corn market, premiums are still getting weaker. An August was traded at +36cu for Santos/ Tubarao. Several players are still interested to sell August/ September at +40cu for optional ports.

Sunseed/Sunoil

The Ukrainian Sunflower oil market seems till not to be making any drastic moves. With some exchanges on the agenda the market is losing bit of its liquidity. Still the SFO is showing a clear support line at 745USD for JFM positions and at 770usd as strong resistance. After some time of no CBOT direction the end of the week showed some bullishness and moved up the Sunflower oil markets rather quickly. The DJFM positions all being bid at even this week moved from 750USD up to 755USD bids. After a few traded between 760USD and 755USD sellers set next line of offers at 765USD. Due to a long period of slow trades the supply side seems to be still willing and able to provide volume. So while the CBOT showed support it motivated a buying wave but due to improving liquidity on Sunflower seeds the supply shows some good competition. Start of week 47 showed some more support on CBOT and moved the DJFM sunflower oil market to 757,50USD vs 765USD.

The Blacksea Sunflower seeds market is not moving much still during week 46. Market is losing it liquidity as destination seems to not be supporting any big demand. From this we are seeing the trade bringing the market to a lower level. While still origination is not proving much offer the trade moving down after the buyers and putting December 402USD vs 395USD and January/February 405USD vs 400USD. However, for some time now we haven't seen any big trades do define the market.

