

Report week 16 (2016)

Corn:

Chaos on the boards last week, with funds correcting and re-correcting their positions on the futures. CBOT corn may moving 15points up and 25 points down in the same week (380→395→370). With these swings on the board the Black Sea (Ukr) corn market was also very active last week. Old crop traded last week between 176 and 183US\$ for may/jun positions. New crop OND positions traded in big quantities between 50 and 55 over dec CBOT, depending on position and handy/panamax size.

Hungarian Danube corn FOB levels oct/nov traded 150€. Basis January the nominal value is around 152€.

The Dutch market moved especially on the jul/sep position which was moving rapidly up during the week as the July position was getting technical. It started trading beginning of the week at 166€ and moved up to 173€ in the days after.

Wheat:

A group of animal feed makers in the Philippines purchased about 150,000 tonnes of feed wheat from optional origins in a tender which closed on Wednesday.

- The wheat was purchased in three 50,000 tonne consignments at \$190.50, \$189.50 and \$186.25 a tonne c&f. It was for June/September shipment depending on origin, sellers were Invivo(2x) and Cargill.

Iraq's state grains board has issued an international tender to buy at least 50,000 tonnes of wheat. The tender closes on May 8 and offers must remain valid up to May 12.

Volumes in Iraq's wheat tenders are nominal and the country frequently buys more than it tenders for.

12.5 pro out of Northern Europe old crop was traded last week around levels of 186-188US\$ equivalents FOB Germany (+12+-14 over may MATIF). New crop was less active; ex-crop (15aug-sep) traded some bigger volume out of the Baltic at a -7/-8 premium compared to matif DEC.

Feed wheat in the Dutch market was showing some activity. May position was priced by Dutch consumption at a price of 158/9€. New crop was quiet.

Barley:

New crop Saudi market moved up as well last week, sellers quoted 175/174US\$ against buyers at 172US\$.

Kuwait tender for Jul/Aug position was done at a price of 182/183US\$ CIF, sellers were Australian based companies CBH and Graincorp.

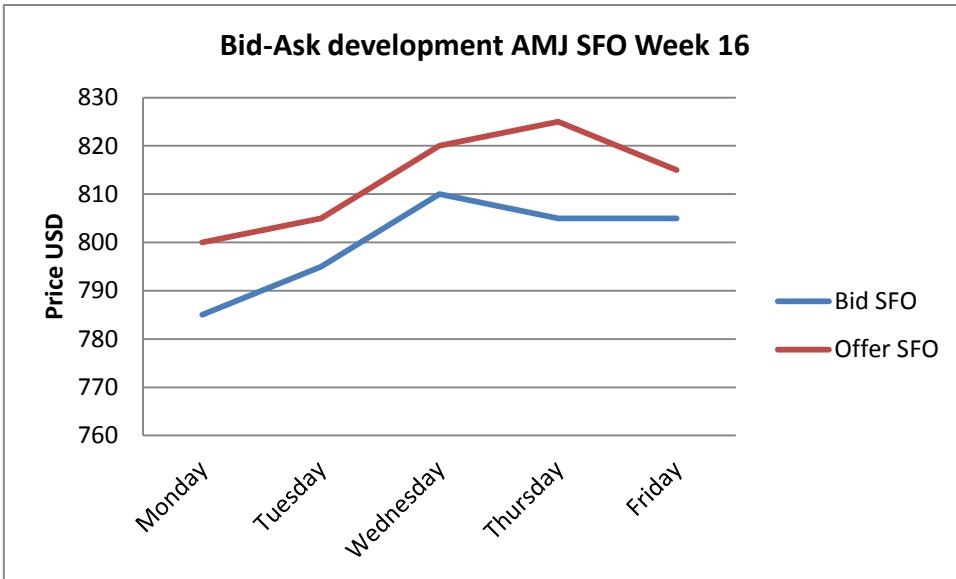
For the German barley market the old crop april/may traded around levels of 140/141€ delivered. Basis September traded around levels of 147€ last week all around the FOB equivalent of 175\$ and premiums compared to matif of -19 to -21.

Dutch market old crop some consumer pricing and paper trade at prices between 150€ and 155€ for positions apr/may/jun.

Sunseed/Sunoil

The Ukrainian Sunflower oil market was well supported during week 16. While the EU 6ports paper market was being pressured down by the increasing Sunflower oil to Soybean oil spread, the Ukrainian physical market moved rather 20/25USD up. While buyers on destination were not generating much purchasing ideas on the Sunflower oil the Sunflower seeds market in Ukraine pushed up the sellers. From this, it seems a few shorts panicked and launched the traded levels from 805usd up to the highest recorded trade of 819 usd for the June position. While the market was overall looking rather calm with buyers and seller rather well balanced it made a quick sprint on Wednesday. Here after the market calmed back down again and showed sellers at 810usd for May/June positions. Week 17 we see starting again with May/June/July positions quoted 815usd sellers against 805usd buyers. So market seems to be correcting again as CBOT is keeping weak and destination is not supporting these traded levels.

Week 16 showed nothing new on the Black Sea Sunflower seeds market. While Sunflower oil was seeing support buyers of seeds were still not willing to show much effort. Buyers of new crop Sunflower seeds kept bidding 365/370USD throughout the week and also during the start of week 17. Sellers however made a rather big move up and were offering 395 for some new crop sunflower seeds. On old crop there seems to be nothing close to a market. While buyers are showing 410/15 there is still no real seller. Danube is showing some small trades with a value of 430usd for the old crop even. The supported sunflower oil prices are mainly pulling up the old crop buyers it seems.



South America

Argentina started the week with its currency at 14.21 and ended it losing some value at 14.4. The Brazilian real started the week at 3.61 and finished it gaining some value at 3.5826. After 20 days of constant rains in Argentina, on Thursday finally the first official numbers came out. The Rosario grain exchange lowered its estimate for soybeans from 60 to 56 million tons. The government was a bit more optimistic and lowered their projection from 60.9 to 57.6. Projections for the corn are still at the same level. In Brazil the government finally decided to eliminate the tax for the imports of corn from the countries not included in the MERCOSUR. This elimination is valid for 6 months up to a total of 1 million tons.

Because of the weather situation in Argentina we are facing some delay on the delivering of the product to the port. By last week, we have a total lineup of almost 3 million tons of corn and 2.5 million tons of soybeans to be loaded. To avoid these delays an exporter paid +74ck for May shipment. For 15/6-15/7 position, sellers aimed at +60cn. Sellers were looking for July at values in the low 50's, and August was offered at +45cu.

On the Brazilian side, people also keep an eye on the climate. Farmers fear to have lost 7 million tons of corn. Nevertheless, this week it rained and more rains are expected. On the corn market, August and September were offered at +70cu for Santos/ Tubarao, while buyers were interested in the mid low +50's. including some ports in the north, sellers were discounting some cents getting closer to +60. For October/ November/ December not many sellers were around. Buyers on the other hand were aiming at mid +40's for Santos only.