

Report week 48 (2016)

Corn:

South Korean feed importers purchased some cargoes of U.S. and optional-origin corn for arrival in March and April as prices for the feed grain have fallen to the lowest level in two months. The importers included the country's largest feedmaker Nonghyup Feed (NOFI) and Major Feedmill Group (MFG). Main seller was Cargill. Other sellers were Marubeni and LDC.

Blacksea was showing little activity this week with most of the trading companies working on their logistics and not trading new positions. Nominal value 75 against 70 over dec positions. J/F/M was quiet as well, value there 70 over vs 65 over march CBOT. New crop O/N/D remained quiet, nominal value in premiums 40 over vs 35 over DEC'17 CBOT.

Constanta was indicating selling levels of 159/160€ FOB for Jan/Feb which was too expensive compared to the Ukrainian offers.

On the Danube Bss January was showing some movement between 140€ and 143€.

On the Dutch market we have seen some movement on the JFM positions. Some long positions paper seller bits and pieces around 170€.

Wheat:

Egypt's (GASC) bought 240,000 tonnes of Russian wheat in a tender, Cairo-based traders said on Tuesday. Traders gave the following breakdown of the purchase:

- 60,000 tonnes of Russian wheat from Louis Dreyfus at \$188.74 a tonne free-on-board (FOB) and \$13.50 a tonne freight equating to \$202.24 a tonne C&F
- 60,000 tonnes of Russian wheat from Olam at \$189.05 a tonne FOB and \$13.50 a tonne freight equating to \$202.55 a tonne C&F
- 60,000 tonnes of Russian wheat from Alegrow at \$189.46 a tonne FOB and \$13.50 a tonne freight equating to \$202.96 a tonne C&F
- 60,000 tonnes of Russian wheat from Grainbow at \$188.74 a tonne FOB and \$13.50 a tonne freight equating to \$202.24 a tonne C&F

Tunisia's state grains agency purchased 117,000 tonnes of milling wheat in an international tender on Friday. The wheat can all be sourced from optional origins.

- For the wheat, Tunisia booked three 25,000 tonne consignments from Louis Dreyfus, paying \$191.84, \$192.84 and \$193.84 a tonne, cost and freight included, together with 25,000 tonnes from Nidera at \$195.89 a tonne C&F and 17,000 tonnes from Casillo at \$201.90 a tonne C&F.

The wheat is for shipment between Jan. 25 and Feb. 25. The wheat is likely to be sourced from Argentina or Russia.

Jordan's state grain buyer bought 50,000 tonnes of optional-origin milling wheat at \$205 a tonne, cost and freight included, in a tender on Tuesday. The wheat was purchased from trading house Ameropa and is for shipment in the first half of April to the port of Aqaba.

Blacksea 12.5 pro on the FOB market was pretty quiet, 180/181US\$ was traded for a feb position. After that further offered but no close bids. GASC was done at relatively high prices (but position technical with big lineups in the port).

Feed wheat in the Dutch market was very quiet.

Barley:

Tunisia's state grains agency purchased 50,000 tonnes of feed barley in an international tender on Friday. The barley can all be sourced from optional origins.

- The barley purchase comprised one 25,000 tonne consignment bought from Nidera at \$178.94 a tonne C&F and one 25,000 tonne consignment bought from Bunge at \$179.77 a tonne C&F. The barley is for shipment between Jan. 5 and Feb. 15.

Saudi Arabia's (SAGO) bought 945,000 tonnes of feed barley in a tender. The shipments will be delivered from January to March 2017. The accepted origins in the tender were Australia, South America, European Union and Black Sea, at the seller's option, SAGO said in a statement. The following is a breakdown of the purchases in dollars a tonne with arrival period in brackets:

Jeddah (purchases in cost and freight)

- 60,000MT feed barley from Fedcominvest at \$192.00 C&F (1-15 Jan. 2017)
- 60,000MT feed barley from Fedcominvest at \$188.75 C&F (15-30 Jan. 2017)
- 60,000MT feed barley from Casillo Group at \$188.80 C&F (15-30 Jan. 2017)
- 60,000MT feed barley from Fedcominvest at \$190.75 C&F (15-30 Jan. 2017)
- 60,000MT feed barley from Fedcominvest at \$188.75 C&F (1-15 Feb. 2017)
- 60,000MT feed barley from Casillo Group at \$189.80 C&F (1-15 Feb. 2017)
- 60,000MT feed barley from Holbud Limited at \$189.85 C&F (1-15 Feb. 2017)
- 60,000MT feed barley from Glencore Agriculture at \$180.80 C&F (15-28 Feb. 2017)
- 45,000MT feed barley from Bunge at \$182.32 C&F (15-28 Feb. 2017)
- 60,000MT feed barley from Cargill at \$187.95 C&F (15-28 Feb. 017)
- 60,000MT feed barley from Glencore Agriculture at \$182.80 C&F (1-15 Mar. 2017)
- 60,000MT feed barley from LLc Trade House at \$184.00 C&F (1-15 Mar. 2017)
- 60,000MT feed barley from Holbud Limited at \$185.67 C&F (1-15 Mar. 2017)

Dammam (purchases in C&F)

- 60,000MT feed barley from Casillo Group at \$186.95 C&F (1-15 Feb. 2017)
- 60,000MT feed barley from Bunge at \$177.89 C&F (15-28 Feb. 2017)
- 60,000MT feed barley from Graincorp at \$180.40 C&F (1-15 Mar. 2017)

In the above mentioned tender result (saudi) its clearly visible that front positions are very technical in the origination, 21/22US\$ spread between first and last position.

On the Dutch market it was quiet on barley.

South America

The peso started the week after the holiday on Monday at 15,46 and ended just below 16. The real also suffered some depreciation but nothing compared with Argentina. It ended the week quoted at 3.4647. The most shocking news of last week was the tragedy with the plane carrying a Brazilian soccer team that unfortunately almost did not leave many survivors.

The weekly report from the Buenos Aires grain exchange showed a progress for the beans planting of 12.3% getting to 46% of the total area. People are starting to show some concern about the dryness of some zones. The average temperature is also increasing, so people are willing to see some rains coming but the forecast is not showing rains soon. The planting of the corn didn't progress that much, 43.3%. The wheat harvest is going at good rhythm and showing good yields. Up to now there is almost 30% harvested. On the corn market, offers remained in the low 40's for April/ May, bids with a 3 in the front will have chances for June/ July and August is being offered at +28cu. There is a lack of demand for these positions, the only questions are for March with buyers willing to pay +40ck. Regarding the wheat, last week GASC went out to buy for 2/1-11/1 shipment and surprisingly there were no Argentinean offers. The average fob price bought was 189 from Russian origin. Offers for 12% wheat started to look weak, a trade was registered at 166.5 for December and further sellers are willing to sell at 166. For January sellers are indicating 168 and 172 for February.

On the Brazilian market, the first wheat trade was done after the subsidy, at 165 for 20/12-20/1 shipment. Sellers are willing to sell and are asking for demand. On the corn market, August and September is looking a little bit weaker, sellers are willing to sell at +37 cu.

Sunseed/Sunoil

The Ukrainian Sunflower oil market has been waiting for weakness for some time which seems not to be coming. With the CBOT keeping Soybeans and Soyoil firm the Sunflower oil is not finding any motivation to go lower. The JFM positions all being bid at even this week outright bids moved from 770USD up to 783USD. After a few traded between round 775USD the highest recorded trade was 783USD end of Friday. Around these 780USD levels the selling side was still able to provide some volume. So when the CBOT showed support it motivated again a buying wave but due to good supply we didn't break further up as enough volume was buyable at 783USD. Start of week 47 showed some more support on CBOT and moved the JFM sunflower oil market to 785USD vs 795USD.

The Blacksea Sunflower seeds market is not moving much still during week 47. Market is losing liquidity as destination is quiet. From this we are seeing the trade bringing the market to a lower level. While still origination is not proving much offer due to higher local buyers the trade is putting and January/February Constanta market 408USD vs 402USD.

