

Report week 14 (2017)

Corn:

Taiwan's MFIG purchasing group has issued an international tender to buy 40,000 to 65,000 tonnes of corn which can be sourced from the United States, Argentina, Brazil or South Africa. The tender closes on Wednesday, April 12. Shipment is sought between June 10-29 from the U.S. Gulf, Brazil or Argentina. If sourced from the U.S. Pacific North West coast or South Africa, shipment is sought between June 25 to July 14.

Ukrainian Origin corn we have seen some trades on may june positions (may 71 over may, june 67 over july). New crop traded November positions around 34 over Dec CBOT and feb/march positions traded around 35 over march'18 CBOT.

On the Danube the levels were sharply unchanged 142/143€ traded FOB for bss april. New crop oct/nov market showed some movement around 143€ and Bss jan around 145€.

On the Dutch market it was very slow, corn prices were moving up daily because the €/€ was less favourable for import corn. Consumption and trade was not willing to pay the premium (especially when wheat and barley remained same price).

Wheat:

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

- It was bought at about \$200 a tonne c&f for shipment in the first half of November. Seller was said to be trading house Casillo.

Algeria's OAIC bought around 570,000 tonnes of milling wheat in a tender which closed on Thursday. The origin is optional but traders said they thought the wheat likely to be mainly sourced from the European Union including some from France.

- Prices were mainly around \$198 to \$198.50 a tonne c&f. The wheat was sought for shipment in the first and second half of June. Sellers were said to be Casillio/LDC and BMTI.

South Korea's (FLC) purchased about 63,000 tonnes of feed wheat to be sourced from any optional origin worldwide in a private deal last week.

- The wheat was purchased at \$187.62 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading. Seller was Lansing. The wheat should arrive around Sept. 17

Blacksea 12.5pro was quiet last week, april values 188\$, may 187\$, june same. New crop traded August position around 173\$, September value 175\$ and october 177\$.

Dutch market was quiet.

Barley:

A buyer in Kuwait has in past days purchased about 45,000 tonnes of feed barley. It was thought likely to be sourced from either Australia or Argentina.

- The grain was bought for May shipment at around \$195 a tonne c&f, seller was said to be Glencore.

Barley prices came down rapidly end of last week as Russian origin started to sell at low prices. 1h May was sold to Saudi at 188US\$ CIF (cover for tender), 1h June traded also to Saudi at 185\$, further offered after that but buyers moved lower towards 182/3US\$ level.

In the Dutch market May/June traded at 153€, this came down on low French origin offers. New crop was non-discussed.

South America:

The peso firmed up about 1% this week and ended trading at 15.20. The Brazilian Real weakened 1% and is now trading 3.14. The Argentine government faced its first general strike in the 1 year and 3 months that they are leading the country. The Unions organized the protest in order to claim for better conditions for workers and a law that impedes employers from firing personnel. As usual during such protests, the unions claimed that the percentage of people that participated in the protest was very high (close to 90%) while the government said it was only a transport strike for which a lot of people were not able to come to work but they were working from home... In Brazil the week started with bright economic news. The trade surplus for March was estimated at a record of 7.145 billion dollars. This despite the export stop of meat in the end of the month due to the scandal in sanitary checks.

The weather in Argentina is starting to create some question marks. Huge amounts of precipitation in the past few days is causing some worries with regards to logistics. We are still not in a similar situation as last year but the roads to the fields have been hit hard. We do not foresee any significant loss in the production numbers yet. The forecast for the upcoming days is of drier weather so also do not believe the situation will escalate. In the market we did see some trades in corn for May delivery at +47ck and July at +18cn7. The prices for the nearby after these trades went up, mainly as demand remains active. +50 is the nominal value for May against +43 on the buying side. June offered at +34 and July at +20cn vs 14. August/September at +17 versus buyers at 12.

Brazil had a relatively quiet week in the grain market. Local corn prices keep coming down and exchange rate is helping the exports but demand is not extremely active. We saw some demand popping up for August, September and October at +25 for Santos or Tubarao but sellers are still aiming at levels a bit closer to 30cu/z. November was supposed to have traded at +28cz but without confirmation yet. Sellers for these positions aim at +32cz.

Sunseed/Sunoil

The Ukrainian Sunflower oil market is keeping heavy also for week 14. While market is clearly in a selling mood still, it seems also that 715USD is showing some resistance for the April/May/June positions. The rumours continue of small/midsized crushers stopping the factory due to difficulty in finding reasonably prices seeds. The week started with April offered at 720USD. May/June found less liquidity and still mostly showed a carry of 5USD against the April. Same as last week, market was determined to sell but sellers didn't manage to get far below the 720USD. While buyers moved down step by step it was every time to the sellers to find the bids. Market is at a point of indecisiveness, while Sunflower seeds prices ask for higher Sunflower oil prices the spread against the Soybean complex is keeping the pressure on the market.

The Blacksea Sunflower seeds market shows little to no change during week 14. While oil showed less movement in price the seeds stayed stuck. While lots of Indian consumers were testing the market there hasn't been any buying waves from this market. Both sellers and buyers weakened the market by 2/3USD, leaving the April/May market 378USD offered vs 372/1USD bids throughout the week. Liquidity is very low on the seeds market and with Danube waterlevels decreasing this factor, which pressured the market lower, is not able to compete anymore with the Romanian/Bulgarian big port markets.

