

Report week 15 (2017)

Corn:

Taiwan's MFIG purchased about 65,000 tonnes of corn likely to be sourced from the United States in an international tender which closed on Wednesday.

- The corn was purchased at a premium of 120 U.S. cents c&f over the Chicago September 2017 corn contract CU7. The tender had sought shipment for 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 had been sought for June 25 to July 14.

South Korea's (MFG) purchased about 137,000 tonnes of corn which can be sourced from optional origins in an international tender for up to 210,000 tonnes that closed on Tuesday.

- Some 68,000 tonnes was bought at around \$193.80 a tonne c&f plus a \$1.50 a tonne surcharge for additional port unloading for July 20 arrival.
- Another 69,000 tonnes was bought at around \$192.50 a tonne c&f plus a \$1.50 a tonne surcharge for additional port unloading for Aug. 11 arrival.

Ukrainian Origin corn we have seen allot of sellers popping up last week, buyer were scarce. Seen trades 2h april around 167US\$, 2h May trades at 170.5\$ New crop traded November positions around 33 over Dec CBOT.

On the Danube at the end of the week we have seen some movement on FOB for bss april and bss may, traded scale up from 143 to 145.5€. Most probably the some trading companies got called for goods and couldn't get them from origination. New crop was still quiet, 143€ buyer vs selling ideas around 147€

On the Dutch market it was very slow again, prices kept on rising on less favourable €//\$ and no new consumers input.

Wheat:

South Korea's (NOFI) purchased about 55,000 tonnes of optional-origin feed wheat in an international tender which closed on Thursday

- The wheat was purchased at \$192.74 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading. It was for arrival around Aug. 25

Blacksea 12.5pro was showing no movement last week, april values 188\$, may 187\$, june same. New crop values August position around 173\$, September value 175\$ and october 177\$.

Dutch market was quiet.

Barley:

In barley there was not much news to report compared to last week.

1-15 june positions got traded around 185\$ as a cover for one of the latest Saudi sales. Price was further indicated as selling idea but buyers moved back to low 180's.

In the Dutch market it was dead quiet.

South America:

A short weak in South America due to the Easter holiday. As in most parts of the Christian world, Friday was a day off in this part of the world as well but in Argentina and Uruguay, Thursday was also considered as a holiday. The currency in Argentina started at 15.20, it did move a bit stronger but in the end it is now trading again at the same level. In Brazil the real began at 3.13 and moved a bit stronger to 3.10. The headlines in Argentina were occupied by the ongoing protest of the school teachers of Buenos Aires province. They decided to build a tent in front of congress to give classes as a playfull protest. Their first attempt on Sunday got stopped by the police but later they did get the authorization to build their tent. Another headline was the news that the office of the general prosecutor is being investigated over the purchase of their headquarters. Back In 2013, these offices were purchased according to the rules but brokerage fees, that were paid to companies that had ties with close employees of the general prosecuter, amounted in 16% of the total value... The current government has asked the general prosecutor to step aside since Macri came to power, but she is still resisting and defending the ideology of Cristina Kirchner. This might be a way to get her out.

In Brazil the government announced it will start replenishing the corn stocks by auctions. Current trading prices in the interior are below the minimum prices that the government has established for which this news is welcomed by the farming community. However it does put a brake on the volume that farmers were selling as they smell better values. The market however sees more corn coming to the market with Brazilian corn crop raised with 2 million tons by the USDA to 93.5 million. The premiums in the FOB market remain in the same range. Offers for August/September in Santos or Tubarao at levels just below 30cu with buyers at +25cu. OND a bit firmer at +30/35/35cz but no clear close demand.

In Argentina the weather started to worry the farming community once again. Excess of rains in the beginning of the week made people remember the situation of last year. However the damage this time was not as bad. Only roads got complicated by the rainfall but no reduction in the crop should be expected. The numbers that the USDA presented at 38.5 million tons are in line with the estimations. The fob market did not see too much movement apart from a rumored trade for July at +18cn. On the nearby there continues to be demand. Offers are at +51 for may versus +45, june +35 versus +30 and july +22 versus +17. August/September at +17 versus +12 and OND at +23 but same compared to other origins should not find demand from other buyers than the ones that are obliged to buy argentine origin.

Sunseed/Sunoil

The Ukrainian Sunflower oil market, while still heavy, seems to have struck some resistance. Market is still showing both trade as crush holding some longs on the April/May/June positions. The week started with May offered at 725USD. June is still being offered at even with the May while April is having 5USD discount. Looking at the significant amount of April still available, this spread might increase coming week due to market squeezing the longs. While enough Sunoil is still being offered the rather bearish considered report didn't show much downside on the CBOT. From this perspective, the market was considering the reports data being already priced and started bottoming out a bit. With some green numbers on CBOT Soy oil throughout the week it showed willingness from the buyingside to cover bit of the paper shorts. Sellers however kept active throughout the week and didn't run too easily from buyers becoming more active. This more than clearly signalled the still available oil in this market.

The Blacksea Sunflower seeds market shows little to no change again during week 15. While oil showed tiny improvement in price the seeds stayed stuck. Liquidity stayed rather low as sellers are offering lower quantities last few weeks and buyer mostly look to buy complete vessels as don't want to get squeezed when completing. While this made it difficult for the market to do business, pricewise there was also no improvement. April/May stayed with sellers at 379USD against buyers at 371/2USD throughout the week.

