

Report week 17 (2017)

Corn:

Turkey's TMO further purchased about 44,000 tonnes of animal feed corn to be sourced from the European Union and Moldova in a tender for the same volume which closed on Tuesday. Rapid shipment had been sought between April 28 to May 10.

Turkey has been turning to supplies of grain from the EU and other regions after the sudden end of duty free status in March effectively stopped Turkish imports of Russian wheat, corn and sunflower oil in a move suspected to be related to a wider trade dispute.

The TMO had sought three consignments of EU-origin corn each of 12,000 tonnes and one consignment of 8,000 tonnes of Moldovan-origin corn.

- The EU corn was bought at 710 Turkish lira a tonne c&f (\$197.9), 711 lira a tonne c&f (\$198.2) and 712 lira a tonne c&f (\$198.5). The Moldovan corn was all bought at 743 lira a tonne c&f (\$207.1). The EU corn was sold by trading houses Hakan and CHS, the Moldovan by Erser.

South Korea's FLC purchased about 65,000 tonnes of corn to be sourced from optional origins in a deal last week.

The purchase was in addition to 60,000 tonnes of corn the FLC bought on Wednesday for Aug. 5 arrival.

- The 65,000 tonne corn was purchased at about \$187.50 a tonne c&f for arrival around Aug. 15 plus a \$1.00 a tonne surcharge for additional port unloading. Seller was Cargill

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

- The yellow corn was all purchased at a premium of 105.37 U.S. cents c&f over the Chicago September 2017 corn contract CU7. The seller was trading house ADM with shipment from Brazil for July 1-20.

The MFIG had sought offers for corn from the United States, Brazil, Argentina or South Africa.

Ukrainian Origin corn we have seen some movement on the front positions, 1h may traded around 166/167US\$ (ex Nikolaev), 2h May traded around 169\$, June around 171\$ and beginning days July at 172\$. New crop market markets around 40-38 over sellers vs 33-35 over buyers. Same premiums for Feb/Mch'18 positions only then over March CBOT.

On the Danube at the end of the week we have seen some movement on FOB for BSS April and BSS May, traded down from 145.5€ to 143€. New crop was still quiet last week, best we have seen was 144 vs 143 on Oct/Nov position.

On the Dutch market it was very slow.

Wheat:

A group of importers in the Philippines has issued an international tender to purchase up to 55,000 tonnes of feed wheat.

- Tender deadline is May 2. The wheat was sought for July shipment.

The Taiwan Flour Millers' Association has issued an international tender to purchase 95,750 tonnes of grade 1 milling wheat to be sourced from the United States. The deadline for the tender is May 9. The wheat is sought in two consignments for shipment from the U.S. Pacific North West coast. The first totalling 47,800 tonnes is sought for shipment between June 26-July 10, while 47,950 tonnes was sought in a second consignment for shipment between July 13-27. The tender seeks range of different wheat types.

Blacksea 12.5pro was rather quiet last week, april values 188\$, may 187\$, june same. New crop values August position around 173/2\$ (buyers 170\$), September value 175\$ and october 177\$.

Dutch market was some small activity on new crop (sep/dec) around 165/166€. But no major movements.

Barley:

1-15 june Saudi position traded CIF around 183US\$ last week. After that market showed sellers at 185 vs buyers at 180/181\$.

Some sales were done end of the week to China (July), Ukrainian origin. (180-182CIF) around 155US\$ FOB.

Dutch market showed no activity on barley.

South America:

The Argentine currency started the week at 15.374 and traded all week at the same level but today moving stronger to 15.30. The Brazilian real started at 3.1282 and is a bit weaker at 3.1625. The headlines in Argentina were marked by the visit of Macri to the United States. He was received with all honours by his friend Trump. One of the items on his agenda was to get the approval for the import of Argentine lemons. He did get that item approved as of the 26th of may. The biodiesel will still be investigated but it shows that Macri can get things moving in the white house. In Brazil all was about the reforms that the government of Temer wants to introduce to the labor law. The public and especially the social movements and unions are protesting quite a lot against this law. It was supposed to be voted on Thursday, but in the end it was postponed until this Wednesday.

The grain market in Argentina was facing quite some pressure on the nearby. Farmers switching to soybeans in the harvest pushed corn prices up to levels that equalate +70ck.

Some traders were caught short for which we saw end of the week a trade at +44cn7 for 20/5-20/6. Full may was offered as high as +70cn7, June at +40cn7. Only in July the values come back to the same levels as before aiming at +20cn, August/September +18cu and OND at 20 plus. New crop ended up +35ck8 versus +15ck8.

In Brazil a rather quiet week. The Conab announced their tender in order to support corn farmers for a total of 600k in 3 different forms. 200k thru options, 200k thru subsidies that will be paid directly to the farmer and 200k that will be paid to exporters/consumers. It will take place on the 4th of may 2017. The local market will look at these tenders with hope as the current prices are below the level that the government promises to pay. In the FOB market we saw some trades to destination thru tenders at levels close to +40cn for July delivery. August/Sept was offered at +30cu, Oct at +30cz and ND at +35/38cz.

Sunseed/Sunoil

The Ukrainian Sunflower oil market is keeping its support also for week 17. The Sunflower seeds origination lost its liquidity while spot market sold some decent volume. With sellers still available its seems the push is less from few weeks ago and with shorts picking up some buying its bringing support to the markets. The week started with June offered at 725USD. June is being offered with 2/3USD carry against the May. July/August is shown 10USD carry over the June with the September still being kept out of the market. While the market thinks there will be enough oil going into the September the technicality of this position last few years is still not forgotten. Towards end of the week the Sunflower oil market moved up 10USD with the respective spreads being unchanged. This firming of the market was mainly caused by the CBOT Soyoil going up, enabling the trade to unwind some spreads. The Blacksea Sunflower seeds market shows little to no change again during week 17. While oil still showed improvement in price the seeds markets for another week staying unchanged. May/June kept sellers at 379USD against buyers at 371/2USD throughout the week.

