

Report week 22 (2016)

Corn:

South Korea's (NOFI) purchased about 267,000 tonnes of corn to be sourced from the United States and South America in a tender which closed on Thursday. NOFI also purchased 60,000 tonnes of feed wheat from optional origins and 50,000 tonnes of soymeal.

- Some 65,000 tonnes of corn to be sourced optionally from the United States or South America was bought at \$206.69 a tonne c&f plus a \$0.75 a tonne surcharge for additional port unloading. It was for arrival in South Korea around Sept. 1. Seller was Pan Ocean.
- Another 65,000 tonnes of corn also to be sourced optionally from the United States or South America was bought at \$207.52 a tonne c&f plus a \$0.75 a tonne surcharge for additional port unloading. It was for arrival in Korea around Sept. 10. Seller was Pan Ocean.
- A further 68,000 tonnes of corn to be sourced from the United States was bought at a c&f premium of 113 cents a bushel over the Chicago December corn contract CZ6 plus a \$1.00 a tonne surcharge for additional port unloading. It was for arrival in Korea around Sept. 20. Seller was Itochu.
- Another 69,000 tonnes of corn to be sourced from the United States or South America was also bought at a c&f premium of 113 cents a bushel over the Chicago December corn contract plus a \$1.25 a tonne surcharge for additional port unloading. It was for arrival in Korea around Oct. 1. Seller was Cargill.
- The feed wheat was all bought at \$194.00 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading. It was for arrival in Korea around Nov. 25. Seller was Daewoo.
- The soymeal was likely to be sourced from China and was all bought at \$447.25 a tonne c&f for arrival in Korea around Oct. 1. Seller was Concordia

South Korea's (FLC) purchased 65,000 tonnes of corn and 65,000 tonnes of feed wheat in private, non-tender deals late last week. The yellow corn is likely to be sourced from the United States and the feed wheat from Europe.

- The yellow corn was purchased at \$207.90 a tonne c&f plus a \$1.20 a tonne surcharge for additional port unloading. The corn is for shipment Aug. 17-Sept. 5 from the U.S. Pacific North West coast for arrival in South Korea around Sept. 20. Seller was CHS
- The feed wheat was purchased at \$193.55 a tonne c&f plus per \$1.25 a tonne surcharge for additional port unloading. It was for shipment from Europe Aug. 11-30 for arrival in South Korea around Oct. 5. Seller was Concordia

The Korea (KFA) purchased 65,000 tonnes of yellow corn to be sourced optionally from the United States or South America in a private deal late last week.

- The KFA's Incheon section made the purchase at \$207.50 a tonne c&f with no surcharge for additional port unloading, they said. The corn should arrive in South Korea around Oct. 15, they said. Seller was LDC

An importer in the UAE has issued an international tender to purchase 28,000 tonnes of hard wheat and 88,000 tonnes of yellow corn.

The tender closes on June 9. Offers must remain valid up to June 10.

- The wheat was sought in two 14,000 tonne consignments for shipment between Oct. 5-30 and Dec. 15-30. Wheat with 15 percent protein content was sought. Origin was optional but preferred wheat sources are Canada, the United States, Australia, Europe or the Black Sea region.
- The corn was sought in four 22,000 tonne consignment for shipment in the first half of August, first half of September, between Sept. 25 - Oct. 10 and between Oct. 25 - Nov. 10. Preferred corn origins are Argentina, the United States, Brazil, European Union or Black Sea region.

Again a rally of 10-15points on CBOT last week, premiums in the black sea cooled down a bit compared to the week before. Between 55 and 60 over CBOT Dec traded a few vessels O/N/D positions out of Ukraine. Old crop out of Ukraine was quiet. Prices old crop quoted around 200US\$ FOB from sellers.

Hungarian Danube corn FOB market was not showing too much activity on the old crop, limited selling interest to be found. New crop traded around levels of 150/151€ oct/nov, bss January around 153/4€.

On the Dutch market, corn was showing some decent activity on the summer position with trades between 176 and 179€ (jul/sep), New crop (OND) between 170 and 172€, Jan/march 172-174€ and jan/jun around 175/176€

Wheat:

Algeria's state grains agency OAIC bought 430,000 tonnes of milling wheat for August shipment in a tender this week, paying between \$190 and \$192 a tonne, including cost and freight. The origin of the wheat is optional. France usually supplies most of the wheat imported by Algeria but traders said doubts over the quality of this summer's French harvest after heavy rain could lead exporters to also choose northern European origins.

Bangladesh on Sunday received a lowest offer of \$233.17 a tonne from Singapore-based Agro Food in a tender to import 50,000 tonnes of wheat. Only one other trader, Olam International, competed for the tender from the Directorate General of Food, quoting \$249.89 a tonne. Bangladesh's imports plan has suffered after three cargoes of Russian wheat, totalling 150,000 tonnes, were cancelled over quality concerns.

Jordan's state grains buyer purchased 100,000 tonnes of hard milling wheat to be sourced from optional origins in a tender for the same volume which closed on Tuesday.

- It was purchased at \$209.75 a tonne c&f for shipment in the first half of November and first half of December. Seller was said to be trading house Cerealcom Dolj.

With the quality concerns in France and the black sea region regarding proteins in the wheat, milling wheat out of Northern Europe was active last week. New crop traded out of Germany and especially out of the Baltic (positions sep/dec, oct/dec, oct/march etc.) all around levels between 190 and 195US\$ eq. FOB.

Black sea (Russia) 12.5pro was traded for august between 178 and 182 US\$ FOB
A decent chunk of 11.5pro traded out of Ukraine. For positions Jun/Jul at prices of 174/175US\$.11.5 pro was traded.

Feed wheat in the Dutch market showed some activity on new crop sep/dec and oct/dec positions around levels of 170€.

Barley:

Algeria's state grains agency OAIC has issued a tender to buy 50,000 tonnes of optional-origin barley for shipment in August. The deadline for bids is Wednesday, June 8.

The tender called for one 25,000 tonne consignment for shipment during Aug. 1-15 and another for shipment during Aug. 16-31.

The volumes indicated in OAIC's tenders are nominal and it usually buys more.

For the German barley market the new crop Basis September traded around levels of 150/151€ (175US\$ eq. FOB)

Barley market to Saudi last week still 176 vs 172\$ CIF.

Dutch market showed some activity on barley with ex-crop trading around 145/146€. New crop (sep/dec position) at 154/3€.

Sunseed/Sunoil:

The Ukrainian Sunflower oil market seems to have reached a stage with little direction. The EU 6ports paper market was already heavy and kept this throughout the week. Not reacting to any movements on palm and soybean oil, the 6ports was cutting down prices in the expectation of too much oil in this market. July/August/September traded at 845USD multiple times. The Ukrainian market followed a bit of this weakness but stops dropping round 810USD for June/July/August positions. Buyers on destinations were still not generating much purchasing ideas on the Sunflower oil so buying quote were purely generated by the trade looking to cover some small bits from existing contract. So June/July/August positions were showing 810USD offers against 800USD bids throughout most parts of the week. Trades for some spot position showed value being slightly below 810USD. New crop is becoming more discussed but keep a wide bid-ask range with October/November/December positions offered at 775USD and bid 760USD. Week 22 started with no fundamental changes. June/July/August was still showing offers at 810USD against 800USD bids.

Week 22 showed nothing new on the Black Sea Sunflower seeds market. As Sunflower oil was not showing much new prices, so did the Sunflower seeds market also stay rather unchanged. Buyers of new crop Sunflower seeds kept to bidding 385USD throughout the week. Sellers however rather unchanged and were offering 395 for some new crop sunflower seeds.

