

Report week 24 (2016)

Corn:

Indian state-run trading company PEC has issued an international tender to buy and import 50,000 tonnes of yellow corn. The tender closes on June 21 and offers must remain valid up to June 24, they said. The corn must be free of genetically-modified organisms (GMOs) and shipment is sought between June 27 and July 15. On, March 17, PEC cancelled a previous tender to import 240,000 tonnes of corn because India hoped for a bigger-than-expected summer harvest and following uncertainty over the availability of corn free of GMOs.

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 or Brazil. The tender closes on Thursday, June 23. If sourced from the United States Gulf or Brazil, shipment was sought between Sept. 6-25. If sourced from the United States Pacific North West coast, shipment was sought between Sept. 21-Oct. 10.

South Korea's (MFG) purchased 130,000 tonnes of optional-origin yellow corn in a tender which closed on Wednesday.

- Some 65,000 tonnes for arrival around Aug. 20 was purchased at \$213.71 a tonne c&f plus a \$0.75 a tonne surcharge for additional port unloading. Seller was Pan Ocean.
- Another 65,000 tonnes was bought for arrival around Sept. 10 at \$205.00 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading. Seller was Changhae.

South Korea's (KOCOPIA) purchased about 55,000 tonnes of corn to be sourced from the United States in a tender which closed on Tuesday.

- The corn was purchased at \$214.90 a tonne c&f including surcharge for additional port unloading for July/August shipment from the U.S. for arrival in South Korea around Aug. 25. The U.S. number 2 corn can contain genetically-modified organisms (GMOs), seller was Pan Ocean.

A group of Israeli private buyers bought corn, feed wheat and feed barley of optional origin in a tender which closed on Thursday. The tender had sought 60,000 tonnes of corn, 50,000 tonnes of feed wheat and 15,000 tonnes of barley.

- The corn was purchased around \$206.50 a tonne c&f for Aug/Sep shipment and \$197.50 a tonne c&f for Sep/Oct shipment, seller was Nidera.
- The feed wheat was purchased at around \$177 a tonne c&f for Aug/Sep shipment and at around \$178 a tonne c&f for Sep/Oct shipment, seller was Ameropa.
- The barley was purchased at about \$166 a tonne c&f for Sep/Oct shipment, seller was Ameropa.

South Korea's (NOFI) bought about 328,000 tonnes of corn in a tender which closed on Friday to be sourced optionally from the United States, South America or Eastern Europe. NOFI also bought around 55,000 tonnes of soymeal.

- Some 65,000 tonnes of corn to be sourced optionally from the United States or South America was bought at \$215.50 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading. It was for arrival in South Korea around Oct. 10, seller was Concordia.
- Another 68,000 tonnes of corn also to be sourced optionally from the United States or South America was bought at \$216.90 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading. It was for arrival in Korea around Oct. 20, seller was LDC.
- A further 65,000 tonnes of corn to be sourced from the United States, South America or eastern Europe was bought at \$214.87 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading. It was for arrival in Korea around Nov. 1, seller was Concordia.
- Another 65,000 tonnes of corn to be sourced from the United States, South America or Eastern Europe was bought at \$210.87 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading for arrival in Korea around Nov. 10, seller was Concordia.
- The remaining 65,000 tonnes of corn to be sourced from the United States, South America or eastern Europe was bought at \$209.87 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading for arrival in Korea around Nov. 20, seller was Concordia.
- The soymeal was to be sourced from South America or China and was all bought at \$467 a tonne c&f for arrival in Korea around Nov. 15, seller was Cargill.

Blacksea (ukr) was very quiet last week with the market missing direction, OND nominal premiums around 55 over (dec CBOT) and after that a big leap for the j/f/m positions were sellers were quoting between 75 and 80 over.

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 154/155€ oct/nov, bss January around 157/158€.

On the Dutch market, corn was not showing much activity.

Wheat:

Saudi Arabia's main state grain agency bought 315,000 tonnes of hard wheat. The wheat is for shipment during September, SAGO said in a statement. The tender had been for wheat with 12.5 percent protein content. The wheat was purchased in five consignments for shipments to the ports of Jeddah and Dammam. The statement gave the following breakdown of the purchase, with prices in dollars per tonne and arrival periods in brackets:

Jeddah Sea Port:

- 65,000 tonnes from Bunge at \$204.65 cost and freight (C&F) (Sep. 1-10)
- 65,000 tonnes from Cargill at \$203.40 C&F (Sep. 10-20)
- 60,000 tonnes from Louis Dreyfus at \$204.94 C&F (Sep. 20-30)

Dammam Sea Port:

- 65,000 tonnes from Bunge at \$207.85 C&F (Sep. 1-20)
- 60,000 tonnes from Louis Dreyfus at \$206.34 C&F (Sep. 20-30)

South Korea's (MFG) has purchased 112,000 tonnes of feed wheat of optional origin seen likely to be sourced from Europe.

- The group on Friday purchased 60,000 tonnes at \$195.25 a tonne c&f. The wheat is for shipment between Aug. 15-Sept. 15. Seller was Engelhart Commodities.
- Another purchase was also made on Friday of 52,000 tonnes of feed wheat at \$195.00 a tonne c&f plus an extra \$1.25 a tonne surcharge for additional port unloading. The 52,000 tonnes was also optional origin but may also be sourced from Europe. It was for shipment between Aug. 1-20. Seller was Concordia.

With the above mentioned Saudi tender the 12.5pro market out of northern Europe for export positions was set. With around 22\$-24\$ freight this came to a FOB price of 180US\$ (at the time of trade -6/-8 eq. for aug position).

Black sea (Russia) 12.5pro aug/sep positions quoted on the selling side around 180US\$ 11.5pro wheat sellers around 177/176US\$ out of Ukraine, against buying interest 174US\$.

Feed wheat in the Dutch market showed very little activity.

Barley:

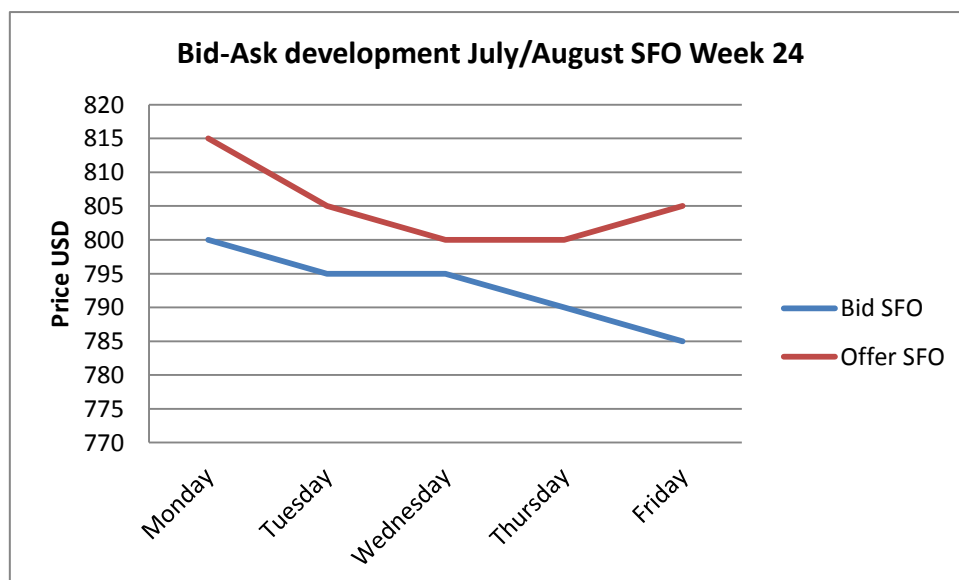
For the German barley market the new crop Basis September traded around levels between 150 and 148€ (175US\$ eq. FOB)

A few cargo's traded out of France (most probably destination China) for July positions between 164 and 166 US\$ FOB.

Dutch market showed some small activity on barley with ex-crop and August positions trading around 148/149€.

Sunseed/Sunoil:

The Ukrainian Sunflower oil market, still same as last week, is moving with little direction. The EU 6ports paper market keeps heavy with plenty old crop sellers and no real bids. The 6ports market started reacting a bit more to the CBOT but this seems to be still limited to positive movements while significantly correlated when CBOT is weak. On the other hand the Ukrainian sellers stopped moving. Buyers on destinations were still not generating much purchasing ideas on the Sunflower oil, so buying quotes were purely generated by the trade. Which was covering a bit and protecting their market. So June/July/August positions were showing 800USD offers against 790USD bids throughout most parts of the week. New crop keeps getting more liquid, with October/November/December positions offered at 755USD and bid 745USD. Also some trades were recorded at 750USD start of the week and 745 in the end. Week 25 started with no big changes for old crop. June/July/August was still showing offers at 805USD. However the buying side was becoming rather thinner and the market is feeling heavier again and ready to make a step down on the old crop. New crop October/November/December positions however kept rather firmer with some buyers coming up to 750USD and no sellers ready to go below the 755. There seems to be more interest from destination which is able to support the market bit better.



South America

Argentina started the week with its currency at 13.895 and ended it rather stable at 13.9. The Brazilian real also finished very stable at 3,4901. Last Tuesday, Jose Lopez, in charge for the public constructions during the Kirchnerism, was arrested. He was found with almost 8.5 million dollars and a gun inside a monastery where he was trying to hide the money. This might create problems for former colleagues within the government. In Brazil corruption continues to be a great issue as well. Sergio Machado, former senator, went out saying that 19 politicians from almost all political parties should be investigated regarding the Petrobras corruption case. One of the involved is Michel Temer, the current interim president.

On the Buenos Aires grain exchange weekly report, the wheat, thanks to the good weather conditions, had a good planting progress and went up to 30% of the total area. The beans are in their last stage, there is only 8.6% left to be harvested. The fact that the beans are almost finished, is helping the harvest of the corn a bit. This week the progress was 3.7%, however we are still way behind compared to last year. People are still worried but it looks like the situation is starting to get better. On the corn market, there were no sellers upriver for spot position, there were some sellers available on the south asking for bids with three digits. For August/ September, sellers were willing to see bids with a 7 in the front. And for October, sellers were openly showing +80cz. However, on Wednesday, a trade was done at +73cz.

In the Brazilian corn market, not many offers around. For August/ September, sellers were asking for bids starting with a 9 . For OND, sellers were only willing to move against bids above +100cz . Sellers started talking about the new crop. For August, they were indicating +55 for optional ports.