

Report week 25 (2017)

Corn:

South Korea's (MFG) purchased about 418,000 tonnes of corn to be sourced from optional origins in deals last week.

- The MFG bought 69,000 tonnes for Oct. 20 arrival at \$179.75 c&f plus a \$1.00 a tonne surcharge for additional port unloading and 69,000 tonnes for Oct. 27 arrival at \$179.79 a tonne c&f plus a \$1.50 a tonne surcharge for additional port unloading. Seller for both positions was Cargill.
- Some 70,000 tonnes were bought for Nov. 3 arrival at \$179.59 a tonne c&f plus a \$1.20 a tonne surcharge for additional ports and 70,000 tonnes was bought for Nov. 11 arrival at \$179.59 a tonne c&f plus a \$1.5 surcharge for extra ports. Seller for both positions was CJ international.
- Two 70,000 tonne consignments were both bought at \$179.79 a tonne c&f plus a \$1.00 a tonne additional port surcharge, one for Nov. 18 arrival and the other for Nov. 26 arrival. Seller was Cremer.

South Korea's (NOFI) purchased about 207,000 tonnes of corn last week to be sourced from optional origins. Likely origins are expected to be the United States or South America, with three consignments for November arrival in South Korea.

- Trading group Cargill sold 69,000 tonnes at \$179.19 a tonne c&f plus a \$1 a tonne surcharge for additional port unloading for Nov. 5 arrival.
- Cargill also sold 69,000 tonnes at \$179.89 a tonne c&f plus a \$1 a tonne surcharge for additional port unloading for Nov. 15 arrival.
- Pan Ocean sold 69,000 tonnes at \$179.20 a tonne c&f plus a \$1 a tonne extra port surcharge for Nov. 25 arrival.

South Korea's (KOCOPIA) purchased about 60,000 tonnes of corn expected to be sourced from South America in a tender which closed on Tuesday.

- The corn was purchased at about \$177.50 a tonne c&f including surcharge for additional port unloading, they said. Seller was trading group Midstar. The corn was for arrival around Oct. 15.

South Korea's Feed Leaders Committee (FLC) purchased about 68,000 tonnes of corn in tender on Friday which can be sourced from worldwide origins, European traders said on Monday.

- The corn was purchased at about \$178.33 a tonne c&f for arrival around Nov. 30 plus a \$1.00 a tonne surcharge for additional port unloading. Seller was trading house Lansing

Blacksea market on corn was showing some movement on November around 35 over dec CBOT. Feb/march market was showing interest around 40 over but less selling potential there.

On the Danube levels were rising fast last week with no farmer selling and worries about dryness in hungary. Oct/nov 149/150€ traded FOB and 152/153€ for bss jan. This is really a

local game as these prices do not calculate to the usual destinations (both Constanta or German/Dutch markets).

On the Dutch market we have seen some action developing in the corn with aug/sep positions trading around 170/171€. Oct/dec traded in a range between 169 and 168€ and JFM at 170/171€ levels. These prices were attractive for some buyers against feedwheat prices (as feedwheat prices moved 1:1 with matif, about 5€ total)

Wheat:

Egypt's (GASC), said on Thursday it bought 175,000 tonnes of Romanian and Ukraine wheat in a tender for shipment for July 25-August 5 with the following breakdown of the purchase in dollars per tonne:

- Cerecom: 60,000 tonnes of Romanian wheat at \$193.94 a tonne free-on-board (FOB) and \$13.15 a tonne freight equating to \$207.09 a tonne cost and freight (C&F)
- Cofco: 60,000 tonnes of Romanian wheat at \$195 a tonne FOB and \$13.15 a tonne freight equating to \$208.15 a tonne C&F
- Venus: 55,000 tonnes of Ukraine wheat at \$190.13 FOB and \$18.95 a tonne freight equating to \$209.08 a tonne C&F

Blacksea 12.5pro levels remained firm with GASC again booking some volume for end july – begin august position (russian offers were 196-204 range FOB, no russian origin booked). In the paper market people were looking for bids august around 184/183\$, buyers indicating there on the buying side 180\$. Big premiums were scored for further positions as very little selling potential there and still the potential VAT issue. (oct traded 188\$, dec market 193\$ vs 191\$ last week)

Big chunk (400-500k) of baltic 14protein was traded last week at premiums around 10-12 over matif dec, in reaction to extremely firm US spring wheat.

Dutch market was relatively quiet on feedwheat, old crop end july traded at a price of 179/178€ level. New crop was getting to expensive compared to barley and corn.

Barley:

With the barley harvest starting in most areas in Europe/blacksea area and big demand from end receiving countries (China/Saudi/Spain) there was quite some action noticeable in barley last week.

Constanta area traded between 160 and 163\$ FOB for july/august positions. Ukraine traded same levels but then for destination china, sellers were quoting below 160\$ levels on the selling side without china docs. French market moving up fast with matif firm and euro/dollar not in favor of euro based countries (162\$ level to 168\$ jul/aug positions).

German market still firm in dollar terms as local interior market paying good prices and farmers not aggressively selling the new crop. (175\$ FOB equivalents trading in style bss september interior)

South America

The Argentine peso started at 16.13 but weakened throughout the week to end at 16.3750. The Brazilian real also weakened. Beginning at 3.2855 and ending now at 3.3130. The political headlines in Argentina were all about the upcoming mid term elections in October. Former president Cristina Kirchner appeared quite some times in the spotlight but only on the last day before closing the lists, she confirmed her candidacy for a senate seat for Buenos Aires province. In order to avoid internal elections, a rule that she created herself in order to have "more fair elections" she will not participate for the Peronist party, but she has presented her own separate party, supported by her most loyal followers. In Brazil we saw President Temer doing a state visit to Norway and Russia. His message was that the political crisis in Brazil is over and that now is a great moment to return with investments to Brazil. Meanwhile at home there continue to be accusations of corruption. Today the president himself got an official accusation which will be on trial with the supreme court. Temer himself denied the accusations in full and even accused the prosecutor of benefitting himself from this process.

South American corn is starting to become the cheapest corn in the world and demand is starting to react on it. Mainly by being very aggressive on tender business in South East Asia. Korea reported to have bought at least 12 cargoes, all in the range of 177-179 dollars per ton for delivery in September, October and November. Most probable supplier for this business will be Brazil. The parity calculates to +15cu. Offers in the Brazilian FOB market are not that low yet and basically that is where demand is at, but the multinationals with origination in Brazil give their support at those levels to their overseas marketing offices. The offerside in the FOB market was at +20cu for August, +22 for September and October and respectively +24/+27 for November and December. Argentina premiums also came off after weeks of firmness. We saw the July trading several times between option and +3cn. It remained offered at +3cn. August and September were offered at option for Panamax size and small unders for handy. October at +10cz.

Sunseed/Sunoil

The Ukrainian Sunflower oil market is still trading without any significant price moves. Overall the August is shown 735USD vs 725USD with a few trades recorded 730/1USD. The spot position is again showing some weakness with offers 5USD below the august but little new buying activity. While the newcrop October/November/December positions were showing lesser push to sell the mark was still showing a spread to new crop with 0USD vs 2,5USD. A few trades have been seen with 0USD to 1USD carry between the August and OND positions. September is still left with less liquidity. Also in Ukraine, while not yet reflected in prices, we get the feeling locally the smaller bits of seeds are being committed to the trade and crush.

The Blacksea Sunflower seeds market showed again little movement throughout week 25. Simply liquidity is still very low. Market is mostly trying to develop liquidity for newcrop but has shown some oldcrop discussions end of the week with prices 370USD vs 365USD for July position. Newcrop while trading locally is still missing significant willingness to sell on FOB. October was shown 372USD vs 362USD and November/December 374USD vs 365USD. Locally values are more reflecting the buyingside of the market but as this is still for minor liquidity it is not able to show these levels to the FOB paper market.

