

Report week 29 (2017)

Corn:

Algerian state agency ONAB purchased about 70,000 tonnes of corn to be sourced from optional origins in a tender which closed last week.

- The corn was purchased in two 35,000 tonne consignments with the price range between \$175 to \$179 a tonne c&f. The tender had sought shipment in July and August.

Argentina was expected to be selected as the origin because of the lack of corn in major exporter Ukraine in July/August as the new harvest approaches.

Blacksea market on corn was very quiet last week. Premiums remained stable on the selling side around 40 over and buyers still aiming for the 30/35 over level for OND. Feb/march position traded both around 35 over.

On the Danube the paper market was showing small activity (147 o/n and 150 bss jan), on the physical side local and foreign end consumers were buying decent volumes on Oct/nov 148 FOB and 151/152€ for bss jan FOB.

On the Dutch market it was pretty quiet. 166/167€ trades some positions aug/sep.

Wheat:

Egypt's (GASC), said last Tuesday it had bought 300,000 tonnes of wheat in a tender with the following breakdown of the purchase:

- 60,000 tonnes Russian wheat from Aston at \$203.45 free-on-board (FOB) and \$16.15 freight, equating to \$219.60 cost and freight (C&F)
- 60,000 tonnes of Romanian wheat from ADM at \$204.60 FOB and \$15 freight, equating to \$219.60 C&F
- 60,000 tonnes of Romanian wheat from Ameropa at \$206.08 FOB and \$13.62 freight, equating to \$219.70 C&F
- 60,000 tonnes of Russian wheat from Solaris at \$204.94 FOB and \$14.76 freight, equating to \$219.70 C&F
- 60,000 tonnes of French wheat from Casillo at \$203 FOB and \$17.85 freight, equating to \$220.85 C&F

Egypt's (GASC), has bought another 420,000 tonnes of wheat in an international purchase tender with the following breakdown of the purchase:

- 60,000 tonnes Russian wheat from ADM at \$202.35 free-on-board (FOB) and \$16.00 freight, equating to \$218.35 cost and freight (C&F)
- 60,000 tonnes Romanian wheat from Cofco at \$204.99 FOB and \$13.39 freight, equating to \$218.38 C&F
- 60,000 tonnes Ukrainian wheat from Louis Dreyfus at \$203.90 FOB and \$16.45 freight, equating to \$220.35 C&F
- 60,000 tonnes Russian wheat from GTCS at \$204.65 FOB and \$14.38 freight, equating to \$219.03 C&F

- 60,000 tonnes Russian wheat from GTCS at \$204.65 FOB and \$14.65 freight, equating to \$219.30 C&F
- 60,000 tonnes Russian wheat from Louis Dreyfus at \$204.65 FOB and \$14.65 freight, equating to \$219.30 C&F
- 60,000 tonnes Russian wheat from AOS at \$204.40 FOB and \$14.65 freight, equating to \$219.05 C&F

Bangladesh has issued an international tender to import 50,000 tonnes of wheat to replenish reserves, according to two officials at the state grains purchasing agency and a tender document on the agency's website. The offer's deadline is Aug. 6 and the wheat is to be shipped within 40 days of signing the deal.

Blacksea 12.5pro levels remained very firm on good demand GASC for over 300k end august positions and 420k for 1-10 sep (see above). Outright paper market was showing values august 195\$, september 197\$ october 200\$.

RUSSIA'S 2017 GRAIN HARVEST PROGRESS (July 21)

	All grains:	wheat	barley
Crop, mln tonnes	26.7	21.9	3.2
Crop, at the same date 2016	32.7	26.7	3.5
Yield, tonnes/hectare	4.40	4.56	3.88
Yield, at the same date 2016	4.07	4.22	3.66
Harvested area, mln hectares	6.1	4.8	0.8
Harvested area, at the same date 2016	8.1	6.3	0.9

Dutch market was relatively quiet on feedwheat.

Barley:

Jordan's state grain buyer has issued an international tender to purchase 100,000 tonnes of animal feed barley to be sourced from optional origins. The tender deadline is July 27.

Jordan also issued a tender for 100,000 tonnes of wheat on Thursday which closes on July 26 after making no purchase in a previous tender.

The barley tender issued on Monday seeks grain from the 2016 or 2017 crops for shipment in two 50,000 tonne consignments, one for Dec. 1-15 and the other for Dec. 16-31.

Saudi Arabia's (SAGO), said on Monday it has purchased 900,000 tonnes of animal feed barley in an international tender, well below the 1.5 million tonnes it had sought.

"With market pricing increasing and our strategic reserves approaching SAGO's upper target levels, we will decide to increase inventory only when market pricing is favourable for taking such action," SAGO Governor Ahmad Al-Fares said.

The origins offered were the European Union, Australia, United States and Black Sea. The sellers have the option to select the origin.

The shipments are in 15 consignments, with 600,000 tonnes in 10 consignments arriving at Saudi Red Sea ports and 300,000 tonnes in five consignments arriving in Gulf ports.

SAGO said these purchases were made in dollars a tonne with arrival period in 2017 in brackets:

Red Sea Ports:
- 60,000 tonnes from Glencore at \$203.72 C&F (Sept. 1-15)
- 60,000 tonnes from Louis Dreyfus at \$202.74 C&F (Sept. 1-15)
- 60,000 tonnes from Louis Dreyfus at \$199.74 C&F (Sept. 1-15)
- 60,000 tonnes from Bunge at \$198.77 C&F (Sept. 1-15)
- 60,000 tonnes from Glencore at \$206.72 C&F (Sept. 15-30)
- 60,000 tonnes from Soufflet at \$207.25 C&F (Sept. 15-30)
- 60,000 tonnes from CBH Grain at \$206.77 C&F (Sept. 15-30)
- 60,000 tonnes from Louis Dreyfus at \$206.00 C&F (Sept. 15-30)
- 60,000 tonnes from LLC Trade House at \$199.80 C&F (Oct. 1-15)
- 60,000 tonnes from LLC Trade House at \$199.85 C&F (Oct. 15-30)
Arabian Gulf Ports:
- 60,000 tonnes from Glencore at \$210.22 C&F (Sep. 1-15)
- 60,000 tonnes from Glencore at \$213.22 C&F (Sep. 1-15)
- 60,000 tonnes from COFCO Resources at \$202.00 C&F (Sep. 15-30)
- 60,000 tonnes from ECTP at \$210.80 C&F (Sep. 15-30)
- 60,000 tonnes from CBH GRAIN at \$207.35 C&F (Oct. 1-15)

With sago in the market allready last week, market was moving up fast everywhere. French traded august at 177\$ (China destination), a few cargo's traded FOB out of Germany at a premium of -20 matif dec (around 185\$ fob). Constanta area traded between 172 and 177\$ FOB for end july/august positions.

South America

The Argentine peso started at 16.90 and closed strongly firmer at 17.4520. The Brazilian real traded in the beginning of the week at 3.1834 and ended slightly stronger at 3.1726. In Argentina the electoral campaigning for the mid term elections in October officially started. Although candidates were already on campaign, now they can count on budget and broadcasting time that is given by the state. The most famous candidate is former president Crtistina Kirchner. If she get elected she might avoid being prosecuted for the corruption cases that have been filed against her. One of the senators that has filed the majority of the accusations against her is studying manners for not allowing her to take seat in congress in case she gets elected.

In Brazil the news that Lula had been convicted for 9 ½ years in prison keeps taking the headlines. He claims he is not guilty and that the people of Brazil can judge him by voting him or not in the next presidential elections. In the meantime, the judge that is responsible

for his conviction instructed financial institutions to freeze an amount of 419 thousand reais in Lula's account. He also said that a total amount of 19 million that should be recovered from Lula will at some stage be returned to Petrobras.

The weather in southern Argentina continues complicating the harvest of corn. Especially the completions of panamax in the south are suffering delays due to this. We did not see too many trades taking place until today. Only new crop did trade at +18ck for march. Today August traded at -2cu for a handy up river for 50k and a panamax September exchanged hands at +3cu. Offers were most of the week around +3cu for August/Sept and +5cz for October. Brazil did see some trades for the August at +24cu and September at +20 and +22cu. Offers did go up on more demand. Agust was bid at +22 without offers. September +26 vs +23 and October at +20cz. Nov/Dec went up to the high 20's.

Sunseed/Sunoil

The Ukrainian Sunflower oil market kept a rather steady movement throughout week 28. With little to no changes on the seeds and meal markets, Sunflower oil was mostly reacting to CBOT Soy oil movement. CBOT however was not showing any drastic movements and kept trades throughout the week round 750USD for October/November/December positions. Old crop was still discussed in swaps throughout the week, showing August to OND 7,50USD vs 0USD carry and September to OND 5USD vs 0USD. Little swaps however reported trading. Old crop was still outright trading bits and pieces to complete vessels, recording trades also round 750USD. As farmer is still awaiting some weather concerns the new crop Ukrainian sunflower seeds are still not showing much liquidity. Crushers are still unable to purchase significant volume. For which the expectation that prices will be mostly trade driven. The Blacksea Sunflower seeds market showed more players but little new prices week 28. So liquidity is still keeping very low. With oil not finding any great movements October started 378USD vs 370USD. Towards end of the week sellers came down to 375USD but didn't make any further movement. Romanian farmers reflect same expectations as the Ukrainians and are rather reluctant to sell. As trade is rather unwilling to bet again the farmer it is keeping the market rather apart.

