

Report week 42 (2017)

Corn:

South Korea's (KOCOPIA) purchased about 60,000 tonnes of corn thought likely to be sourced from the United States in a tender which closed on Friday.

- The corn was purchased at about \$191.30 a tonne c&f including surcharge for additional port unloading for arrival in South Korea around Jan. 25, 2018. Seller was CJ International.

The corn can be shipped from the U.S Pacific North West coast between Dec. 22, 2017, to Jan. 11, 2018, or from the U.S. Gulf between Dec. 2-21, 2017.

South Korea's Feed Leaders Committee (FLC) purchased about 65,000 tonnes of corn in a private, non-tender deal late on Tuesday.

- The corn can be sourced from optional origins and was purchased at around \$188.50 a tonne c&f for arrival in South Korea around Feb. 20, 2018. Seller was Bunge

South Korea's (NOFI) purchased some 69,000 tonnes of corn, 69,000 tonnes of feed wheat and 12,000 tonnes of barley in an international tender that closed on Tuesday. The grains can all be sourced from optional origins.

- The yellow corn was bought at \$188.75 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading for Feb. 15, 2018, arrival. The seller was Cargill

The corn was expected to be sourced from the United States or South America.

- No purchase was made of another consignment of 69,000 tonnes of corn sought for Feb. 25, 2018.
- The wheat was bought in one consignment at \$205.00 a tonne c&f plus a \$1.25 a tonne surcharge for additional port unloading for arrival around Feb. 5, 2018. The wheat seller was Midstar.
- The barley was bought in one consignment at \$244.00 a tonne c&f for arrival around Jan. 5, 2018. The seller was Bunge.

Blacksea market on corn was really quit (especially in comparison to the week before which showed allot of trading volume) November/December positions nominally between 60 and 65 over. J/F/M levels showed levels between 70 and 65 over.

On the Danube the value for corn showed sellers at 151 vs 149 buyers € for oct/nov and 154€ vs 151€ for bss jan with little to no activity noticeable (way too expensive for any destination, except local industry).

On the Dutch market corn demand is very limited, some spot/nov positions are trading around 162/3€. After Christmas positions jan/mrch and jan/jun the spread compared to feedwheat was about 5-6€ (corn cheaper as feedwheat) but the spread compared to the spot/nov positions was too big in the eyes of the consumer (8-10€).

Wheat:

Egypt's state grain buyer GASC bought 230,000 tonnes of Russian wheat in a tender (position 1-10dec). Traders gave the following breakdown of the purchase in dollars per tonne:

- Olam: 60,000 tonnes at \$198.35 (FOB) and \$15.47 freight equating to \$213.82 (C&F)
- Union: 55,000 tonnes at \$198.90 FOB and \$14.87 freight equating to \$213.77 C&F
- GTCS: 60,000 tonnes at \$198.75 FOB and \$14.60 freight equating to \$213.35 C&F
- GTCS: 55,000 tonnes at \$198.75 FOB and \$15.90 freight equating to \$214.65 C&F

Algeria's state grains agency OAIC bought 660,000 tonnes of optional-origin milling wheat in an import tender that closed on Tuesday, European traders said on Wednesday.

OAIC paid prices ranging from \$210 to \$212.50 a tonne, cost and freight included.

Most of the wheat was expected to be sourced in France, Algeria's main supplier, while some may also be sourced in Argentina. The wheat was sought for shipment in January.

Tunisia's state grains agency purchased about 50,000 tonnes of soft milling wheat, 75,000 tonnes of durum wheat and 50,000 tonnes of feed barley in an international tender which closed on Thursday. The grains can all be sourced from optional origins.

- The wheat was purchased from trading house Cofco in two 25,000 tonne consignments at \$208.19 a tonne c&f and \$209.19 a tonne c&f.
- The durum was bought in three 25,000 tonne consignments at \$283.50 a tonne c&f and \$286.87 a tonne c&f both from Casillo Commodities and 25,000 tonnes at \$285.48 a tonne c&f from Euroagricola.
- The barley was purchased in two 25,000 tonne consignments at \$209.26 and \$209.53 a tonne c&f. seller was Glencore for both positions.

The durum was sought in three 25,000 tonne consignments for shipment between Dec. 15, 2017, and Jan. 20, 2018, depending on origin.

The milling wheat and barley were both sought in two 25,000 tonne consignments for shipment between Nov. 25 and Dec. 20, 2017, also depending on origin.

The Ethiopian government has issued an international tender to buy 200,000 tonnes of milling wheat, European traders said on Tuesday.

The tender deadline is Nov. 28. Ethiopia issued a separate tender for 400,000 tonnes of wheat closing on Tuesday.

The wheat in the 200,000-tonne tender was sought from optional origins.

Ethiopia is struggling with the impact of drought that has devastated farms in some regions with millions of people in need of food aid.

Turkey's state grain board TMO has issued a series of international tenders to purchase a total of about 150,000 tonnes of milling wheat. The tenders close on Oct. 26.

A total of 15 separate tenders each seeking 10,000 tonnes of red milling wheat have been issued by the TMO. The TMO can buy up to 20 percent more or less than the tender volume at its own discretion. Turkey's wheat crop last summer was of a reasonable size but there is a lack of high quality milling wheat.

Loading can be done only at ports in the Black Sea, Aegean and Mediterranean (except southern Cyprus and Syria), the European Union including UK ports, and in Baltic Sea ports.

Traders said the tender shipment terms would not exclude Russian-origin wheat. Turkey and Russia have been involved in a dispute about food trade. Two loading ports and one country of origin must be declared in the signing of the contract. Offers must be made in Turkish lira on a c&f basis including shipping costs to Turkey.

Blacksea 12.5pro paper market levels pre GASC tender showed selling interest around 193\$ for november and 194\$ december (buyers around 2-3\$ lower). Feb/march '18 was discussed with almost no carry 196 sellers vs 194/195\$ buyer.

Dutch market showed some decent activity on the front positions (nov/dec) between 170 and 172€, consumers buying something (with waterlevels dropping) and some trade shorts covering old sales.

Barley:

A group of Israeli private buyers bought around 10,000 tonnes of optional-origin feed wheat in a tender for 15,000 tonnes which closed on Wednesday but made no purchase of 10,000 tonnes of feed barley also sought.

- The wheat was purchased at around \$194.75 a tonne c&f for January 2018 arrival in Israel. It was thought likely to be sourced from the Black Sea region.

Markets on barley preparing for the next big tender, values nominally around 182\$ (Russian side baltic), 183/2\$ UK, 188\$ France, 195/4\$ Constanta.

Dutch market showed some movement at the front positions around 162/161€ spot/nov. 165/166€ was paid by some consumers beginning of the week for jan/june positions.

Sunseed/Sunoil

The Ukrainian Sunflower oil market is still showing a heavy spot-market with destination mostly looking for forward positions. On the nearby mostly shorts are covering their paper positions or trade is finding some limited outlet by rearranging the flows. New demand is looking very difficult to find for the October/November positions. January/February/March are the most liquid position with most activity from both crush as consumption. While trading between 765USD and 760USD during the week also JFM is starting to feel weaker with destination buyers focusing more and more on AMJ. This position however is lacking liquidity as sellers are still not willing to compete to far on the forward position. This is caused still by SFS market showing most supply on nearby.

The Blacksea Sunflower seeds market shows the same division as in the oil. On the nearby positions farmers aswell as long-trade keeps offering. With most of the demand on the forward for oil both the crush and trade are mostly focusing on buying the January/February/March positions on seeds aswell. Where OND seller are willing go to 365USD levels the buyers have been showing these levels for JFM but at best managing offers at 370USD. While the structure of the market is unchanged, the overall prices are tiny bit weaker compared to last week. With the difficulty to sell nearby seeds and unwillingness to sell the forwards it has been reported larger farmers storing the goods and finding better business in the grains which might keep liquidity limited.

Bid-Ask development JFM SFO Week 42

