

Report week 45 (2016)

Corn:

The Korea Feed Association (KFA) purchased about 63,000 tonnes of yellow corn which can be sourced from optional origins in a tender which closed on Thursday.

- It was purchased at around \$188 a tonne c&f. Seller was Cofco. The tender from the KFA's Busan section had sought arrival by March 25, 2017.

South Korea's Major Feedmill Group (MFG) purchased around 132,000 tonnes of optional-origin yellow corn in a private non-tender deal on Friday.

- The MFG purchase was made in two 66,000 tonne consignments, both at \$184.99 a tonne c&f plus a \$1.00 a tonne surcharge for additional port unloading. One consignment was for arrival around March 8, 2017, and the other for arrival by March 13, 2017. Seller was said to be CHS.

2h Nov/Dec positions were decently traded in the Blacksea area last week (FOB Ukraine). Between 2h nov/1h-2h dec positions traded between 80 and 85 over Dec CBOT. J/F/M was showing the whole week 75 vs 70, and in the end traded around this 70 over level. New crop OND +50 vs +40 over Dec'17 CBOT.

The Danube. Oct/Nov traded at levels around 132€. bss January was showing some movement between 138 and 140€.

On the Dutch market it has been very quiet last week(s), still low water on the inland rivers and allot of problems to solve for the trade regarding the secure feed protocols that they have to follow to the Dutch consumption.

Wheat:

Egypt's (GASC), bought 240,000 tonnes of Russian and Romanian wheat in a tender.

Traders gave the following breakdown of the purchase:

- 60,000 tonnes of Russian wheat from ECTP at \$186.98 a tonne free-on-board (FOB) and \$10.30 a tonne freight equating to \$197.28 a tonne cost and freight (C&F)
- 60,000 tonnes of Romanian wheat from Nidera at \$191.19 a tonne FOB and \$8.43 a tonne freight equating to \$199.62 a tonne C&F
- 60,000 tonnes of Russian wheat from Aston at \$189.87 a tonne FOB and \$10.30 a tonne freight equating to \$200.17 a tonne C&F
- 60,000 tonnes of Russian wheat from Daewoo at \$189.87 a tonne FOB and \$10.30 a tonne freight equating to \$200.17 a tonne C&F

Egypt's GASC said on Friday it had bought 60,000 tonnes of Russian wheat:

- GASC had purchased the wheat from Aston at \$192.50 a tonne free-on-board (FOB) and \$9.64 a tonne freight equating to \$202.14 a tonne cost and freight (C&F).

Tunisia's state grains agency purchased some 100,000 tonnes of soft milling wheat in an international tender which closed on Friday. The grains can all be sourced from optional origins.

- The soft wheat was purchased in four 25,000-tonne consignments, all from Bunge at \$192.74 a tonne c&f. The wheat is for shipment between Dec. 25, 2016 and Jan. 25, 2017.

Bangladesh will cancel an international tender to import 50,000 tonnes of wheat, citing higher prices, two officials from the state grains procurement agency said on Wednesday. Singapore-based Agrocrop made the lowest offer of \$248.26 a tonne, including CIF liner out, in the tender, which was the first for the current fiscal year that began in July. "The offer was high considering global wheat prices,"

Only one other trader, Aston, competed for the tender, quoting \$250 a tonne, including CIF liner out, meaning the price includes shipping, insurance and discharge costs.

The tender follows a setback to Bangladesh's import plans after three cargoes of Russian wheat, totalling 150,000 tonnes, were cancelled over quality concerns.

Blacksea some action noticeable last week in milling wheat. Russian origin 12.5pro trading between 181 and 183US\$ for Dec positions, 182/183 for Jan positions, 185 for march and 186.5 for April positions.

Feed wheat showed some action towards Dutch consumption around 169€ for December positions. JFM traded towards consumption around 172€.

Barley:

Tunisia's state grains agency purchased around 75,000 tonnes of feed barley in an international tender which closed on Friday. The grains can all be sourced from optional origins.

- The barley was bought in three 25,000-tonne consignments, all from Glencore at \$169.37 a tonne c&f, \$171.37 a tonne c&f and \$172.37 a tonne c&f. The barley is for shipment between Dec. 25, 2016 and Feb. 5, 2017.

German delivered barley market traded last week around levels of 145€ for bss november (around 164/165US\$ FOB eq.)

On the Dutch market it was quiet on barley, market was showing levels around 155€ on almost all the positions. But buyers showing interest (if at all) at low 150's.

Sunseed/Sunoil

The Ukrainian Sunflower oil market seems till not to be making any drastic moves. With 745USD for JFM positions as a rather strong support and 770USD as strong resistance the market stays moving within this tunnel. Without any great motivation from the CBOT the destination markets are not letting buyers get far from the support lines. While on the other hand trade sometimes pushes the offers below the resistance but the crushers are not willing to go to these levels and keep waiting on the market. With a market that has a good amount of oil available we have lost the inverse and DJFMAMJ are mostly valued flat. With the front keeping good volumes available and the crushers being reported as well covered it seems the front is a bit heavier. From this we are expecting towards the market between JFM and AMJ to turn into a small carry shortly. The most liquid positions still are January/February/March showed offers moving from between 770USD and 760USD, with the trade mostly motivating the moves down. Also the market kept the December position even to the JFM. On the November due to liquidity there were still some opportunities to find a few USD premium.

The Blacksea Sunflower seeds market is not moving much still during week 45. With oil not showing any direction lately the seeds market is keeping its usual support. Origination not pushing to sell so the December/January positions were still standing 410USD vs 400USD throughout the week. Towards the end we moved to 405USD vs 400USD on December as the water level on the Danube improved the flow towards Constanta and with the weakness on the EUR was able to compete with the Romanian market pushing it down. Start week 46 even showed sellers at 402/3USD for December/January against buyers at 395USD.

