

Report week 47 (2016)

Corn:

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

- The corn was purchased at \$191.45 a tonne c&f including surcharge for additional port unloading. Seller was said to be Daewoo. The grain is for arrival in South Korean around March 5 and can contain genetically-modified organisms (GMOS).

Blacksea was showing less activity this week with most of the trading companies trying to manage their logistics and not trading new positions. Nominal value 80 against 70 over dec positions. J/F/M was relatively quiet as well, value there 75 over vs 65 over march CBOT. New crop O/N/D remained quiet, nominal value in premiums 45 over vs 35 over DEC'17 CBOT.

Constanta was indicating selling levels of 160/162€ FOB for dec/jan/feb which was to expensive compared to the Ukrainian offers.

On the Danube Bss January was showing some movement between 136€ and 140€.

On the Dutch market it was quiet.

Wheat:

Egypt's (GASC), received offers from nine suppliers at its international wheat purchasing tender on Tuesday. The results of the tender are due later on Tuesday.

Egypt, the world's largest wheat buyer, is seeking an unspecified amount of wheat for shipment Jan. 2-11.

It was the first purchase tender to take place after the government issued a decree putting Egypt's General Organization for Export and Import Control (GOEIC) in charge of imported wheat inspections instead of the agriculture quarantine service.

The decree follows the resolution of a months-long standoff over wheat import rules that hampered the country's ability to purchase grains from abroad that was largely fuelled by the quarantine service.

The tender was also the first after the inclusion of Paraguay, Bulgaria and Hungary on the list of accepted origins for GASC's wheat purchases. The offers made were all for Russian and Romanian wheat. Traders said the following were the cost and freight (C&F) offers in dollars per tonne:

- Louis Dreyfus: 60,000 tonnes of Russian wheat at \$188.74 FOB and \$13.54 freight equating to \$202.28 C&F
- Olam: 60,000 tonnes of Russian wheat at \$189.15 FOB and \$13.54 freight equating to \$202.69 C&F
- Alegrow: 60,000 tonnes of Russian wheat at \$189.95 FOB and \$13.54 freight equating to \$203.49 C&F
- Grainbow: 60,000 tonnes Russian wheat at \$190 FOB and \$13.54 freight equating to \$203.54 C&F

- Aston: 60,000 tonnes Russian wheat at \$194 FOB and \$10.25 freight equating to \$204.25 C&F
- ADM: 60,000 tonnes Romanian wheat at \$191.99 FOB and \$12.65 freight equating to \$204.64 C&F
- ADM: 60,000 tonnes of Russian wheat at \$191.50 FOB and \$13.29 freight equating to \$204.79 C&F
- Glencore: 55,000 tonnes Russian wheat at \$194.40 FOB and \$14.29 freight equating to \$206.69 C&F

Jordan's state grain buyer has made no purchase in an international tender to buy 50,000 tonnes of milling wheat which closed on Tuesday. A new tender for 50,000 tonnes of wheat has been issued closing on Dec. 6.

Blacksea 12.5 pro action cooled down a bit compared to last few weeks. Sellers were quoting 182/1 for Dec, 183 for Jan, 184 Feb, 185 March. With 7 over march matif trading in Germany FOB for bss jan 12.5pro (at time of trade around 185US\$) European origin are getting closer to the blacksea origin prices.

Feed wheat in the Dutch market was very quiet.

Barley:

Algeria's state grains agency OAIC purchased about 50,000 to 75,000 tonnes of feed barley in a tender for a nominal 50,000 tonnes which closed on Thursday

- Prices were around \$177 a tonne c&f for January 2017 shipment. Origins are likely to be northern Europe and the Black Sea region. This may include the United Kingdom and Ukraine. Algeria, one of the world's largest grain importers, does not publish details of its tenders and results given by trade sources are estimates. But seller was said to be Nidera.

With the above mentioned tender results in Algeria we talk about a FOB equivalent of around 160US\$. German delivered barley market traded last week around levels of 149/150€ for bss January (around 165/166US\$). French origin traded for december at a price of 158US\$.

On the Dutch market it was quiet on barley.

South America

The peso started the week at 15.46 and ended at 15.5. The real also lost some value, ending the week at 3.4276. The Argentinian government made an important progress in terms of employment. They reached an agreement between the unions and the commercial sector not to fire employees, at least until March. This way the government is trying to secure work and trying to incentive new jobs for next year. After so many talks, finally, the Brazilian government went out with a decision on the subsidy for the wheat. It will be for 215 thousand tons divided in 3 states, 100k for Rio Grande, 100k for Parana and 15k for Santa Catarina.

The Buenos Aires grain exchange informed on their weekly report that the soybeans made a progress of 10.5%, getting to 33.5% of the total area planted. The corn only progressed 0.8% on the planting, totally normal for this time of the year: 41.1% of the total area planted. The wheat harvest got to 17.7%, 5% more than last week, with an average yield of 2.15 mt/ha. On the corn market, new crop was offered at +43ck for April/ May, June/ July in the mid 30's and August at 28cu. Regarding the wheat, 12% prot was offered at 168/170/175 for December/ January/ February respectively.

On the Brazilian market, even with the news about the subsidy for the wheat, prices remained the same with ideas above 170. On the corn market, August/ September continues being offered at +40cu for optional ports while demand looking at +35 for Santos/ Tubarao. Regarding the container business, demand for SBM Hipro continues willing to buy Jan shipment to Yangon at 410 not reflecting the increase in cbot. The most aggressive offers could be found at 415.