



Quanton Weekly Communications, Week 03

Quanton Trading Teams

Grains:

MATIF Milling Wheat up 9 € WoW.

Argentina is set for further **rains**, which should cap recent crop losses from an extended drought since December. (Reuters)

Canada is importing a rare cargo of **barley** from Europe after drought decimated its harvest last year. France's Rouen port is set to load its first-ever barley cargo for Canada. Canada is typically largely self-sufficient in barley and ranked as the fifth-biggest exporter in the 2020-21 season. (USDA, Bloomberg)

China's 2021 corn imports almost tripled in volume from the previous year, hitting a new record. China brought in 28.35 million tonnes of corn in 2021, up 152% from an annual record figure of 11.3 million in 2020, data from the General Administration of Customs showed. (Commodity 3)

Heightened tensions between the **United States & Russia** have built premium into the world wheat market. Russia-US talks in Geneva did not lead to any noticeable progress.

Oil:

Indonesia (world's top palm oil exporter) to require permits for **palm oil** exports, for shipments starting Jan. 24. (Trade Ministry Indonesia)

China's soybean imports from the US in 2021 rose from 25.89 million tonnes (2020) to 32.3 million tonnes. Brazilian shipments fell, customs data showed annual soybean imports from Brazil came in at 58.15 million tonnes, down 9.5% from 64.28 million in 2020. (General Administration of Customs, Reuters)

Sugar:

The world's sugar supply balance is expected to worsen in the 2021/22 season due to lower output in China. The season will see demand exceeding production for the third consecutive year, projecting a supply deficit of 1.9 million tonnes - larger than the 1.8 million tonnes deficit it projected in November. (StoneX)

Coffee:

Starbucks ties up with Meituan (Chinese delivery giant) to bolster presence in crucial China market. Previously, Starbucks saw slow sales in China due to COVID-19's fallout. (Meituan, Reuters)

Chinese coffee chain Luckin Coffee recently signed an agreement to purchase more than 3,000 metric tons of high-quality Ethiopian coffee beans in the first quarter of 2022. The purchase includes 2,000 tons of **Yirga Cheffe beans** and 80 tons of **Hambella beans** (a variety on par with Geisha). In 2021, Luckin Coffee bought 11,500 tons coffee beans, of which more than 2,600 tonnes came from Ethiopia. In 2022, Luckin expects to purchase

6,000 tons of coffee beans from Ethiopia, and over 20,000 tons overall. (Xinhua)

Cocoa:

Ivory Coast's cocoa regulator is sticking with its forecast for a drop of about 10% in output for the 2021/2022 season, despite a pick-up in beans arriving at ports in the past three weeks. Ivory Coast weather favourable for cocoa mid-crop. (Reuters)

Freight:

Cape rates took a beating due to weather related delay in iron ore mining and export from Brazil. This is exacerbated by the restriction in Indonesian coal export. Cape tonnages are now competing for larger volume Panamax stem. The correction in Panamax market showed still negatives this week. In the Supramax segment, the market and rate continued to slide.

Both FFA and physical continued the bear run. Ultra from USEC to Cont saw fixing at USD 28,000. USG-Med on Ultramax covered at USD 35,000. Some movement in Indonesia reg coal export. Coal run from CIS to China done at USD 10,000. Trip from WCI via Pakistan to Chittagong with clinker discussed around USD 23,500. Period rates dropped further where 1-year TC rate now for Supra is USD 20,000 and Ultra USD 22,500. (Quanton)

World:

Moroccan household finances hit by high inflation – driven by an increase in the cost of imported products and an improvement in domestic demand. (Moroccan Planning Agency, Reuters)

The **Philippines' swine inventory** increased by 700,000 heads over the last 12 months owing to a repopulation programme, following two years of declines due to African swine fever outbreaks. (Reuters)

China's 2021 pork output jumped 29% from the previous year, official data showed on Monday, recovered most of the production lost during a devastating outbreak of African swine fever two years before. (Chinese authority, Reuter)

Ozone harms **East Asian crops** yield, costing \$63 billion a year. (Reuters)

Saint Vincent and the Grenadines has exported a cargo of 110 pounds (49.8 kilos) of **medical cannabis** after receiving a license for export to Germany, according to official announcements and a local official familiar with the matter.

The French Farming Ministry on Thursday said that a total of 2.5 million birds needed to be killed as the southwest of the country faces several outbreaks of bird flu. (Reuters)

Italy introduced further measures in two northern regions to contain a recent **African swine fever** outbreak, including the immediate slaughter of pigs and a six-month restocking ban. (ANSA)

Margarita Louis-Dreyfus gets \$457 Million from the sale of 45% share of Louis Dreyfus Co. to ADQ. (Bloomberg)

Cargill's agricultural trading head Joe Stone is retiring after firm's profits soared in 2021. Roger Watchorn is tapped as his successor.

Saudi Arabia retained its top ranking in Chinese oil supplies in 2021, with supplies up 3.1% over 2020, and increased its share to 17% of total Chinese imports, customs data showed. (Reuters)

Fertiliser:

The Green Markets North America **Fertilizer Price Index** has reached the **lowest point** since October 2021, at 906.66 USD/mt. (Bloomberg)

Tenders:

Jordan tenders for 120,000 mt wheat, 120,000 mt barley, shipment: Jul/Aug.

Iran bought wheat:

195,000 mt in 3 consignments (3 x 65,000 mt), shipment Feb/Mar 2022

South Korea bought milling wheat:

82,000 mt in 2 consignments from Cargill, shipment Mar 2022:

1. 50,000 mt: Soft White 11%, 406.51
Soft White 9%, 516.8
HRW 11.5%, 387.67
Northern Spring 14%, 407.62
2. 32,000 mt: Soft White 11%, 406.77
Soft White 9%, 517.06
HRW 11.5% 387.93
Northern Spring, 407.88

Turkey TMO bought 345,000 mt barley for shipment 15 Feb – 10 Mar:

Derince:	25,000 mt CFR 321.60 USD/mt, Yayla Agro
Iskenderun:	25,000 mt EXW 325.70 USD/mt, Yayla Agro
	25,000 mt EXW 325.60 USD/mt, Solaris
	25,000 mt EXW 325.80 USD/mt, Grainstar
Mersin:	50,000 mt EXW 331.20 USD/mt, Viterra
Izmir:	25,000 mt EXW 331.80 USD/mt, Yayla Agro
	25,000 mt CFR 326.80 USD/mt, Yayla Agro
Bandirma	25,000 mt CFR 321.00 USD/mt, APGrain
	25,000 mt EXW 326.10 USD/mt, Viterra
Tekirdag	25,000 mt CFR 316.00 USD/mt, MKM
Samsun	25,000 mt EXW 322.80 USD/mt, Bek Tarim

25,000 mt CFR 317.80 USD/mt, Rolweg
 Trabzon 10,000 mt CFR 317.00 USD/mt, GTCS
 10,000 mt CFR 316.90 USD/mt, Aston

Turkey TMO bought 335,000 mt wheat for shipment 10 Feb – 10 Mar:

Derince: 25,000 mt 12.5% CFR 344.30 USD/mt, Erser
 Iskenderun: 25,000 mt 12.5% EXW 345.70 USD/mt, Altin Ates
 25,000 mt 12.5% EXW 345.80 USD/mt, Viterra
 Mersin: 50,000 mt 12.5% EXW 351.40 USD/mt; Tiryaki Agro
 Izmir: 25,000 mt 12.5% EXW 350.15 USD/mt, Yayla Agro
 25,000 mt 12.5% CNR 345.15 USD/mt, Sierentz
 Bandirma 25,000 mt 13.5% EXW 351.80 USD/mt, Viterra
 25,000 mt 13.5% CNF 342.80 USD/mt; Orsett
 Tekirdag 25,000 mt 13.5% EXW 349.90 USD/mt, Yayla Agro
 Samsun 25,000 mt 13.5% EXW 350.60 USD/mt, Yayla Agro
 Trabzon 10,000 mt 13.5% CNF 346.80 USD/mt, GTCS
 Karasu 25,000 mt 13.5% CNF 348.90 USD/mt, GTCS

Japan bought milling wheat:

72,351 mt, shipment: 21 Feb – 20 Mar

1. 9,210 mt, US White
2. 16,502 mt, DNS
3. 25,035 mt, HRW
4. 21,604 mt, WRS

Algeria bought barley:

205,000 mt, 324 USD/mt, shipment Feb/Mar 2022

Taiwan bought milling wheat:

30,150 mt USD DNS, FOB 414.16 USD/mt, ADM

14,600 mt HRW, FOB 401.60 USD/mt, CHS

4,645 mt CHS, FOB 430.91 USD/mt, ADM

Transforming agricultural products in time, location and form sets the core of our business.

For trading opportunities and general enquiries:

Grains, animal feeds, oilseeds and meals:

Luca Marangone, Senior Trader, marangone@quantoncommodities.com

Bob S Xu, Trader, xu@quantoncommodities.com

Soft commodities:

Felix Cowling, Senior Trader, cowling@quantoncommodities.com

Javier Lastanao, Senior Trader, lastanao@quantoncommodities.com

Execution and freight:

Magdalena Nowak, Execution Manager, nowak@quantoncommodities.com

Shamim Ahmed, Shipping & Logistics Manager,
ahmed@quantoncommodities.com