



Quanton Weekly Communications, Week 08

Quanton Trading Teams

Grains:

On Thursday, Euronext milling wheat futures surged as the market reacted to **Russia's invasion of Ukraine**, settlement price of **MATIF** Milling Wheat May contract up €21.00/mt to €315.00/mt. **CBOT** March and May Chicago contracts up their daily limit.

On Friday, wheat and corn futures in **Chicago** fell by the by the maximum allowed by the exchange, reversing earlier gains, as traders weigh the possibility of negotiations between Russia and Ukraine. Settlement price of **MATIF** Milling Wheat May contract down €25.25/mt to €289.75/mt. (Bloomberg)

Ukrainian corn made a rare trade **into Vietnam** despite war risks, an indicative of the Black Sea's increasingly competitive pricing for prompt grains. Delivered price ideas thought to be in the range of \$343-350/mt CFR Vietnam. (Agricensus)

China has approved imports of wheat from throughout Russia. (Agricensus)

Persistent rain deficits in Mediterranean regions have led to droughts, harming grasslands and crops such as wheat and barley, while dry weather has had a **limited impact** in central and **western Europe**. (Reuters)

China's **Dalian Commodity Exchange** would raise intraday transaction fees for some contracts of soybean, soyoil, palm oil, coking coal and coke futures. (Dalian Commodity Exchange, Reuters)

Taiwan's feed-making group **MFIG cancelled a tender** issued earlier this week for up to 65,000mt of optional-origin corn. (Agricensus)

Egypt's **GASC cancelled the tender** for wheat. (IHS Markit)

Iraq has sufficient strategic reserves of wheat from its procurement of local grain from farmers last season and is not concerned about its stocks. (Reuters)

Oilseeds:

ADM has shuttered its facilities in **Ukraine**, including an oilseed crush plant and a grain export terminal, after the country was invaded by Russia. (Reuters)

Bunge shuttered company offices in **Ukraine** and temporarily suspended operations at two oilseed crushing facilities in Nikolaev and Dnipro following a Russian military invasion. (Reuters)

About 380,000 tonnes of **sunflower oil** shipments **from the Black Sea region** to India are **stuck at ports** and with producers, and new purchases have stalled after ports suspended operations following Russia's invasion of Ukraine. (Reuters)

ADM carried out the **largest soybean shipment** in the history of the Ponta da Montanha Grain Terminal (TGPM), located in the northern Brazilian city of Barcarena, as it shipped **84,802 tonnes in a single vessel**.

Rainfall in Argentina's central farm belt and forecasts for strong precipitation is helping relieve parched **corn and soybean crops**. (Reuters)

China soymeal futures rallied to record (up 12% before Lunar New Year) on tight bean supplies: 1. Crushers didn't build much inventory before Lunar New Year due to poor margins; 2. Persistent flat margins restrain large bean purchases. 3. Crushing plants cut operations on tight bean supplies.

Cocoa:

A long stretch of **below-average rainfall** in Ivory Coast's cocoa regions extended into last week, and farmers said strong rains were needed to boost the mid-crop, which starts in April. (Reuters)

Sugar:

The **Cuban sugar industry** is barreling again toward **its worst season ever**, threatening to dent both national pride and economic growth. (Reuters)

Egypt's state sugar buyer **ESIC** have purchased around **100,000 tonnes of raw sugar** in an international tender. The purchase consisted of two 50,000 tonne consignments, both at an estimated **\$470/mt C&F**. (Commodity 3)

World:

The trade relationship between the **United States and China** is "extremely difficult and **getting more difficult**," U.S. Trade Representative Katherine Tai said on Friday. (Reuters)

Tunisians are suffering delays to salary payments and shortages of grains, medicines and sugar, a foretaste of **a rapidly looming public finances crisis**. (Reuters)

US energy major **Chevron** and US agribusiness conglomerate **Bunge** have signed an agreement over a **renewable feedstocks joint venture**. (Agricensus)

Wilmar has reported a **23.5% increase in its 2021 full-year net profits** to \$1.9 billion on oilseed strength. (Agricensus)

Russia:

Russia's attack on Ukraine sparked volatility and fresh uncertainty in markets on Thursday, as investors scrambled to assess the conflict's longer term implications for **asset prices**. (Reuters)

Australia imposed more sanctions against Russia targeting several of its elite citizens and lawmakers, and said it was "unacceptable" that China was easing trade restrictions with Moscow at a time when it invaded Ukraine. (Reuters)

British Prime Minister **Boris Johnson announced sanctions** on over 100 Russian individuals and entities after Moscow launched an all-out invasion of Ukraine by land, air and sea. (Reuters)

China state banks restrict financing for Russian commodities. ICBC stops issuing letters of credit after Ukraine invasion. China's top banks have complied with previous U.S. sanctions. (Bloomberg)

Fertilisers:

India plans to **pay in rupees** for its first long-term **urea** import deal **with Iran** to hedge itself from global supply disruptions, higher prices and forex volatilities, but complicated now by Russia's invasion of Ukraine. (Reuters)

Brazilian agricultural exports may lose their competitive edge due to a **scarcity of fertilizer** and soaring prices for the key material if Russia's invasion of Ukraine triggers Western sanctions on Russian fertilizer exports, according to analysts. (Reuters)

Brazil's fertilizer imports reached 2.3 million mt in January, **down 15%** versus the 2.7 million mt imported in the same month last year. (Agricensus)

Freights:

Ukraine's military has suspended commercial shipping at its ports after Russian forces invaded the country, an adviser to the Ukrainian president's chief of staff said, stoking fear of supply disruption from leading grain and oilseeds exporters. (Reuters)

Cargill's vessel was "hit by a projectile" on the Black Sea, but the ship remained seaworthy, and all crew were safe and accounted for. (Reuters)

Panamax Market – The Atlantic experienced another subdued day. Charterers with time are happy to wait into next week, with little in the way of active bids, with the possibility of further softening next week. Additionally, tonnage ballasting out of the Black Sea heading Gibraltar certainly gives Charterer's indications that next week will be in their favour.

Panamax Index – 2658 (up 11.92 % over last week)

Panamax 4 TC – 22,596 (up 12.71 % over last week)

Panamax 5 TC – 23,922 (up 11.92 % over last week)

P2A (Continent / Far East) – 32750 (up 10.35 % over last week)

P6A (Singapore / ECSA RV) – 25159 (up 8.00 % over last week)

Supramax Market – Following yesterday's developments in the Black Sea and being a Friday, we saw a standstill in the Atlantic market today. Very little activity in the USG and south Atlantic with a healthy tonnage list that will need to be carved out to see some improvement in the rates. All eye sare on the Black Sea where many prompt vessels are looking for business out of the region and therefore already putting pressure on rates on the Continent /Mediterranean /Black Sea area.

BSI 10TC – 26586 (up 3.95 % over last week)

S1B (Canakkale via Med-Bsea/China- S.Korea) – 28979 (down 4.53 % over last week)

S4B (Skaw-Passero/ USG) – 19,438 (up 0.26 % over last week)

BHSI 7 TC – 25,174 (up 8.8 4% over last week)

HS1 (Cont med-ECSA) – 15,357 (up 2.82 % over last week)

HS3 (ECSA/Cont-Med) – 226972 (down 1.52 % over last week)

Tenders:

Iran's SLAL tenders for:

- 60,000 mt barley
- 60,000 mt soymeal
- Deadline: 23 Feb 2022

Egypt's GASC tenders for wheat:

- Unspecified quantity, shipment April 11-21.

TMO tenders for Red Milling Wheat:

- 435,000 mt, shipment 10 Mar – 8 Apr

Jordan made no purchase for 120,000 mt of barley:

- New tender expected for 1 Mar 2022

Taiwan's MFIG tenders for corn:

- 65,000, deadline 25 Feb

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

Derince:	25,000 mt CFR 325.00 USD/mt, GTCS
Iskenderun:	25,000 mt EXW 328.03 USD/mt, Viterra
	25,000 mt CFR 325.00 USD/mt, GTCS
	25,000 mt EXW 327.90USD/mt, Yayla Agro
Mersin:	50,000 mt EXW 328.17 USD/mt, Viterra
	25,000 mt CFR 325.00 USD/mt, GTCS
Samsun	25,000 mt CFR 324.00 USD/mt, GTCS
	25,000 mt EXW 339.90 USD/mt, Bek Tarim
Trabzon	20,000 mt CFR 324.00 USD/mt, GTCS
	10,000 mt EXW 330.90 USD/mt, Prime

China sold 508,089 mt wheat from state reserves, at an average price of 425.13. So far this season, 3,396,799 mt.

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

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