



## Quanton Weekly Communications, Week 13

### Quanton Trading Teams

#### Grains:

Euronext COT data shows **French wheat longs jump to 12-week high**. (Agricensus)

**France will ensure that Egypt gets the wheat** it needs in the coming months as the war in Ukraine creates supply risks for grain importing countries, French Finance Minister Bruno Le Maire said on Monday. (Reuters)

**A delegation from Egypt will visit India** in the first week of April to facilitate **wheat imports** as part of efforts to secure supplies. (Reuters)

**Tunisia ODC pays \$13/mt more for barley** than for wheat. (Agricensus)

**South African farmers are expected to harvest 10% less maize** in the 2021/2022 season compared with the previous season, the government's Crop Estimates Committee (CEC) said on Monday. (Reuters)

**Chicago wheat dropped by more than 7% on Tuesday** as comments by Russia and Ukraine following negotiations in Turkey raised hopes of a ceasefire in a conflict that has disrupted massive grain exports through the Black Sea region. (Reuters)

**The EU has a structural deficit of corn 13.5 million mt**. The EU produced 65 million mt of corn in the 2020-21 marketing year (October to September) and required 56 million mt to feed livestock and an additional 17.7 million mt for ethanol, corn starch and human consumption. (Platts)

**Low Brazil corn availability expected to remain through to June**, due to the combination of low existing stocks, losses to Brazil's first corn crop, and an increase in global prices in response to supply fears. (Agricensus)

**Argentina's weekly 2021/22 crop sales** for corn and soybeans **dropped by about 40%** in the week ending March 23. (Agricensus)

**Brazil's Anec has slightly decreased** its estimates for the country's March **wheat shipments to 500,164 mt**, down from last week's forecast of 522,164 mt. (Agricensus)

**Influx of feed demand** casts uncertain outlook **for low-quality white rice** market. Demand and supply gap widens. (Agricensus)

**India starts supplying rice to Sri Lanka** in first major food aid. (Reuters)

**Kazakhstan government to impose wheat and wheat flour export quotas** from 15 Apr to 1 Jun.

#### Ukraine and Russia:

Traders have exported the **first supplies of Ukrainian corn to Europe by train** as the country's seaports remain blocked due to the Russian invasion, APK-Inform agriculture consultancy said on Sunday. (Reuters)

**Area for Ukrainian oilseeds in 2022 to fall more than 20%**, gov expectations. (Agricensus)

**Ukraine is in talks with Romania on shipping** its farming exports via the **Romanian Black Sea port of Constanta**, as Russia's invasion has blocked off Ukrainian ports, Ukraine's agriculture ministry said in a statement on Wednesday. (Reuters)

**Ukraine's railways are struggling** with a backlog of grain wagons on the country's western border as traders look for alternative export routes after Russia's invasion blocked off the main Black Sea ports. (Reuters)

The Kremlin indicated that **all of Russia's energy and commodity exports could be priced in roubles**. (Reuters)

**Russian grain exporters** ask Central Bank for **help with payments**. (Agricensus)

**Russian wheat exports** in the period from **March 10 to March 30** reached **1 million mt**, showing a slow but steady pace. (Agricensus)

Putin's allies warned that **Russia could limit supplies of agriculture products** to "friendly" countries only. (Reuters)

**Ukraine has stocks of 13 million mt of corn and 3.8 million mt of wheat**, but cannot export the grain as seaports are blocked due to the Russian invasion. (Reuters)

**Ukrainian farmers** have sown about 400,000 hectares (988,000 acres) with various spring crops by 31 Mar, **a tenth more than by the same date last year**. A lack of fuel had not affected sowing. (Reuters)

#### Oilseeds:

Greece's agriculture ministry said that **sunflower oil production could be increased if needed** by producing more for household consumption rather than for biofuels as rising prices add to record inflation. (Reuters)

**Perdue AgriBusiness** has announced plans to invest \$59.1 million to **expand crushing capacity**. (Agricensus)

Malaysia will produce 18.9 million mt of crude palm oil, a slight increase of 4% from a year earlier. (Agricensus)

**India buys Russian sunoil at record high price (CIF 2150 USD/mt)** as Ukraine supplies halt. LC payments now available to India importers. (Reuters)

U.S. Treasury's Adeyemo: **Russian supply chains next in line for sanctions**. (Reuters)

**Indonesia raises CPO price for April to \$1,787.50/mt**. (Agricensus)

**Malaysia and Indonesia** agreed that global prices of palm oil should be determined by the two biggest producers and they **should not compete**. (Reuters)

**Russia will ban exports of sunflower seeds** until the end of August and impose an export quota on sunflower oil to avoid shortages and ease pressure on domestic prices. (Reuters)

**Coffee:**

**Westrock Coffee** to Go Public in \$1.2 Billion SPAC Deal. (WSJ)

**Cocoa:**

**Abundant rain in several parts of Ivory Coast's cocoa-growing regions** last week will improve the quality of the April-to-September mid-crop if downpours persist. (Reuters)

**Sugar:**

Lebanese Prime Minister Najib Mikati hoped Algiers would consider exempting **Lebanon from an Algerian sugar export ban**. (Reuters)

**Commodity traders have started diverting sugar shipments** away from Russia, a move set to further boost soaring domestic prices. (Reuters)

Brazil's surprising move to sack the chief executive of state-controlled oil company Petrobras brings a huge element of **uncertainty to the global sugar market**. (Reuters)

**World:**

**Russian oil is needed by energy markets** and no producer can substitute its production, United Arab Emirates energy minister Suhail al-Mazrouei said. (Reuters)

Chinese pork processing giant **WH Group Ltd on Monday reported a 7.2% rise in annual profit to \$1.043 billion** driven by higher sales in the United States and Europe. (Reuters)

**China's pig farmers, suffering record losses** due to surging feed costs and weak hog demand, are **switching to lower quality grain** from pricier soymeal and even selling off assets in a bid for survival. (Reuters)

**Fertilisers:**

**China's COVID-19 curbs are disrupting the supply of fertiliser** to the country's north-eastern breadbasket just a month away from spring planting, threatening this year's corn and soybean crops if not resolved soon. (Reuters)

**Russia to increase its export quotas for nitrogen and complex fertilisers**. (Reuters)

**Freights:**

**Ukraine accused Russia** of planting mines in the Black Sea and said some of those munitions had to be defused off Turkey and Romania as risks to vital merchant shipping in the region grow. (Reuters)

**Freight rates rise** as Shanghai lockdown exacerbates port congestion. (Agricensus)

Ukraine will guarantee insurance payments to cargo vessels damaged in hostilities on its stretch of the Danube. (Reuters)

**Panamax Market:** This week was a week of red ink for the Panamax Market as the market continue to ease with all routes seeming under pressure. Asia

was said by some to be softening on the longer round trips rather than fee falling, whereas the short Indonesian round trips remained well gapped on the bid/ offer spread. The Atlantic was mixed bag of rates on fixtures reported but overall, the tone was weaker.

**Panamax Index** – 3,073 (down 11.06 % over last week)

**Panamax 4 TC** – 26,324 (down 11.60 % over last week)

**Panamax 5 TC** – 27,660 (down 11.04 % over last week)

**P2A (Continent/Far East)** – 35,095 (down 3.85 % over last week)

**P6A (Singapore/ECSA RV)** – 27,536 (down 7.37 % over last week)

**Supramax Market:** Supramax and Ultramax are losing grounds across the board. We could see the shift in the rates from strong Pacific and weaker Atlantic. The Pacific market has dropped quite substantially. Last week fixture was reported for 63,000 dwt delivered SE Asia at USD 43,000 pd from a trip via Indonesia to South China, and smaller Supra of 56,000 dwt Singapore was done at USD 44,000 pd. This week charterers rating tonnage in the low/mid USD 30,000 pd for Pacific trips. Trio from China to Atlantic still paying premium in the USD 40,000 pd. The Atlantic is improving, mainly due to ECSA and USG cargo inquiry increasing. We see rates reported delivery ECSA for TCT to Mediterranean USD 58,000 pd, while USEC is paying much less. Ultramax ballast from Continent fixed USD 38,000 pd APS Baltimore for trip to Mediterranean. Scrap cargo from Continent increased to USD 25,000 pd from high USD 10,000 pd. Front haul from Black Sea and Continent around USD 30,000 pd Sura with small premium for Ultramax.

**BSI 10TC** – 30,301 (down 9.62 % over last week)

**S1B (Canakkale via Med-Bsea/China-S.Korea)** – 25,125 (up 9.40 % over last week)

**S4B (Skaw-Passero/USG)** – 20,600 (up 6.16 % over last week)

**BHSI 7 TC** – 30,511 (down 5.15 % over last week)

**HS1 (Cont med-ECSA)** – 19,536 (up 8.96 % over last week)

**HS3 (ECSA/Cont-Med)** – 48,278 (down 1.38 % over last week)

#### Tenders:

**Jordan's MIT** buys barley:

- 60,000 mt, CFR 395 USD/mt, Viterra, shipment July

**Turkey's TMO** tenders for sunoil:

- Shipment Apr - May

**Turkey's TMO** bought corn:

- 50,000 mt, CFR Mersin, 400.87 USD/mt
- 50,000 mt, CFR Iskenderun, 407.87 USD/mt

**Turkey's TMO** bought corn:

- 175,000 mt EXW, 401.96 USD/mt on average

**Algeria's OAIC** tenders for milling wheat:

- 50,000 mt, June shipment

**Tunisia's ODC** tenders for wheat

- 150,000 mt, shipment Apr-Jun

**Tunisia's ODC** tenders for barley:

- 100,000 mt, shipment Apr-Jun

**Iraq's trade ministry** has bought milling wheat:

- 100,000 mt, German origin, 570 USD/mt

**South Korea's KFA** bought corn:

- 120,000 mt, 399.45 USD/mt, Cargill, shipment Jun

**South Korea's MFG** bought corn:

- 137,000 mt, CFR 383.33 USD/mt, shipment July

**South Korea's KFA** tender for corn:

- 120,000 mt, shipment July

**Taiwan's FMA** bought wheat:

- 40,000 mt, US origin, shipment May, CHS and ADM, 448.6 USD/mt

**China** sold 546,015 mt of wheat from their state reserves at an average price of 453.05 USD/mt, down from 465.03 USD/mt.

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

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