



Quanton Weekly Communications, Week 14

Quanton Trading Teams

Grains:

India's wheat exports hit 7.85 million tonnes in the fiscal year to March, an **all-time high** and a sharp increase from 2.1 million tonnes in the previous year. (Reuters)

Egypt has strategic wheat reserves sufficient for 2.6 months, cabinet spokesperson Nader Saad said on Monday. (Reuters)

Egypt saw a rise in imports of the grain from Russia in March despite supply and payment disruptions. (Reuters)

Chinese buyers bought 1.084 million tonnes of U.S. corn, 676kmt for delivery during the 21/22 marketing year and 408kmt for 22/23. (USDA, Twitter @kannbwx)

USDA's weekly crop progress shows poor winter wheat conditions: winter wheat in 30% good/excellent condition is 22 points below the 5yr avg for the date. (Agricensus, Twitter @kannbwx)

Brazil's corn availability is expected to reach 124.2 million mt in 2022, 22.8% above last year's 101.1 million mt. (Safras & Mercado, Agricensus)

Argentina's farmer sales surge for corn but drop for beans, wheat. (Agreicensus)

EU grain exports could increase by 14% this marketing year to 49 million mt, including an additional 5.6 million mt of soft wheat. (Agricensus)

Black Sea export disruptions and concerns around production have prompted **Rabobank to lift its 12-month CBOT wheat price forecast to 1050-1180 c/bu**. (Agricensus)

Wheat exports from India to Indonesia have been suspended temporarily after essential food safety test laboratory licenses issue. (Agricensus)

Ukraine and Russia:

Ukraine's grain, oilseed and oil exports dropped by more than 70% in March, after ports were blocked following Russia's invasion. (Agricensus)

Ukraine March exports: Corn 1.1 mmt; Wheat 309,000 mt; Sunflower Oil 118,000 mt. (Twitter @JamesColquhou10)

Ukraine exported 300,000 mt of grains by rail in March. (Agricensus)

Russian wheat export destinations Mar/Apr: Egypt (~900kmt), Turkey (~700kmt), Iran (~330kmt), Libya (<100kmt), Israel, Iraq, Morocco, etc. (Twitter @TEMarekts)

Kremlin said **Russia is in no rush to increase the share of rouble payments for its exports**. (Reuters)

Traders ask Ukraine government to cancel wheat export curbs. "About 12 million tonnes of corn are still stored in Ukraine, while less than 3 months are left before the new harvest, and domestic consumption can be about 1.5 million tonnes". (Reuters, Twitter @bullishboiler @RussianGrianTra)

Poland to create "dry port" to raise capacity for land exports of Ukrainian agricultural products. (APK)

The EU will officially announce the new sanctions that will **ban Russian and Belarusian transport from entering ports and roads of the EU.** (APK)

As of the morning of April 6, the indicative offer prices of feed barley totaled 385-410 USD/t FOB Black Sea (April - early May), down 20-25 USD/t compared to the week ago. (APK)

As of April 5, the prices of corn totaled 245-255 USD/t DAP Poland, down 5-10 USD/t compared to the week ago. The prices for transportation of corn to port of Constanta (Romania) in April-May decreased by average 15 EUR/t to 300 EUR/t. (APK)

Ukraine trying to raise agricultural export to 1.5 mln tonnes per month. (APK)

In Feb-Mar, the average amount of precipitations was 20-40% of the norm. **This may result in drought across many territories in Ukraine.** (Ukrhydrometcenter, APK)

In western Ukraine, **some 1,100 train wagons carrying grain are stuck near the main rail border** crossing with Poland, unable to transport their cargo abroad. (Reuters)

Ukrainian weather forecasters expect a significant improvement soon in weather conditions for the development of recently sown spring crops. (APK Reuters)

Ukrainian Prime Minister said this year's grain harvest is likely to be **20% less than last year** because of a reduced sowing area following Russia's invasion. (Reuters)

Russian wheat tax was set at **\$101.40/mt** (up \$5.30/mt) for the period between April 13 and 19.

Oilseeds:

India has harvested a record rapeseed-mustard crop, but crushing could lose momentum in the coming months as many **farmers are holding back** from selling to oilseed processors in the hope prices will rally further. (Reuters)

Brazilian soybean exports are expected to reach 11.1 million mt in April, 29% down yoy. (Anec, Agricensus)

The biggest cooking oil bottler for UK shops only has **a few weeks' supply of sunflower oil left.** (BBC)

USDA: **India's oilseed production to rise 1% y-o-y** in 2022/23. (Agricensus)

Rains boost hopes for **Australia rapeseed, grains acreage.** (Agricensus)

Brazil's soyoil and soymeal exports during the first quarter of 2022 reached **multi-year high.** (Agricensus)

IGC: **Global sunflower acreage** to decrease by 7.2% to 26.4m. (Agricensus)

Casde: **China cuts 2021/22 estimates for rapeseed oil output.** (Agricensus)

Coffee:

Arabica coffee posts moderate gains on strength in Brazilian real: Monday's coffee prices settled mixed, with arabica climbing to a 3-1/2 week high and robusta falling to a 2-1/2 week low. Arabica coffee rallied on strength in the Brazilian real (BRL/USD 0.223), which rose to a new 2-year high against the dollar.

The war in Ukraine will **hurt global coffee demand** and lead to a **supply surplus in the 2022/23 season.** (Reuters)

India's coffee exports hit a new high, up 42% to \$1.04 billion. (The Hindu)

In Burundi coffee sector experienced a steady decline and is less attractive to Burundians be them novices or experienced coffee producers. (Trendsnafrica)

Cocoa:

Rain was below average last week in most of Ivory Coast's cocoa growing regions but good soil moisture continued to strengthen the April-to-September mid-crop. (Reuters)

Cocoa prices fall on ample supplies from Ivory Coast: May ICE NY cocoa (CCK22) on Monday closed down -37 (-1.42%), and May ICE London cocoa #7 (CAK22) closed down -13 (-0.74%). Ample cocoa supplies from the Ivory Coast, the world's biggest cocoa producer. On Monday, the Ivory Coast government reported that Ivory Coast cocoa farmers sent a cumulative 1.87 MMT of cocoa to Ivory Coast ports from Oct 1-April 3, up +5.1% y/y.

Dubai could become a major hub for Ghana's cocoa by establishing a cocoa trading platforming in the Gulf Emirate.

Sugar:

India could export a record 9 million tonnes of sugar in 2021/22 marketing year as production is likely to jump to a record 35 million tonnes. (Reuters)

Europe's largest sugar producer **Suedzucker** on Monday posted a rise of almost 40% in full year operating profit as improved sugar and bioethanol markets boosted earnings. (Reuters)

Brazil's GMO sugarcane area to nearly double this year. (Reuters)

India's sugar consumption is set to hit record highs in the current summer season as demand from bulk consumers such as cold drink and ice cream-makers rises after the lifting of COVID-19 restrictions. (Reuters)

World:

Argentina's March agriculture export revenues reached highest in 20 years. (Agricensus)

Afreximbank had set up a \$4 billion trade finance programme to cushion economies and businesses on the continent against shocks arising from the war in Ukraine. (Reuters)

Iraq will allow all food imports for three months in order to enhance food security. (Reuters)

Sri Lanka's goods and services exports could plunge 20% to 30% this year due to **high freight charges and power cuts**. The country had no alternative to restructuring its debt, as it faces a crippling economic crisis. (Reuters)

U.N.: Food prices hit record high in March, **jumped nearly 13%**. (Reuters)

Graincorp raises profit view on Ukraine conflict-led shortage. (Reuters)

Fertilisers:

Tunisia's phosphate production doubled to 1.3 million tonnes in the first quarter of 2022, compared to the same period last year. ((Reuters)

Brazil accelerated fertilizer imports in the first three months of the year, as Western sanctions on major suppliers Russia and Belarus pose a risk to shipments going forward. (Reuters)

Freights:

A foreign-flagged merchant ship was hit by a Russian navy missile in the besieged southern Ukrainian port city of Mariupol with one crew member needing medical care. (Reuters)

The risk of floating mines in the major Black Sea shipping route is adding to perils for merchant ships sailing in the region. (Reuters)

Dry bulk **freight rates edged lower** across all vessel segments this week amid fresh signs of weakening economic sentiment in China. (Agricensus)

Panamax Market: A weaker Panamax index overall but according to some sources some signs of green shoots of recovery for the longer grain front haul trips especially for earlier than index dates, so this brought into play some of the Continent / Mediterranean positions which had been pegged back to late. Despite holidays in some parts, activity in Asia remained healthy, and sources felt some of the early ships had been shifted in the North and the focus for some of the tonnage here was to consider the ballast South. In the South, some tonnage with limited options or with specific trade in mind conceded cheaper rates with charterers holding the upper hand.

Panamax Index – 2777 (down 10.66 % over last week)

Panamax 4 TC – 23,661 (down 11.25 % over last week)

Panamax 5 TC – 24,997 (down 10.65 % over last week)

P2A (Continent/Far East) – 35,714 (up 1.73 % over last week)

P6A (Singapore/ECSA RV) – 26,368 (down 4.43 % over last week)

Supramax: With bigger uncertainty on the Russian coal ban and further sanction it's hard to say what direction the market will take- but would say market will remain strong with a slight drop over Easter. Owners willing to call Russian ports still seeing huge premiums at rates around 70-80,000. FFA kept falling all week whilst South America front haul remains thick firmer. It's basically been a drop all over further markets and the gap between bid/offer keeps spreading. Period market have also seen a heavy correction and is more or less not even present on the longer ones. Rate wise Continent front haul was fixed at lower 20s on a Supramax- from USG similar vessel wee fixed low 30K.

BSI 10TC – 27,518 (down 10.11 % over last week)

S1B (Canakkale via Med-Bsea/China-S.Korea) – 24,708 (down 1.69 % over last week)

S4B (Skaw-Passero/USG) – 20,266 (down 1.65 % over last week)

BHSI 7 TC – 27,786 (down 9.81 % over last week)

HS1 (Cont med-ECSA) – 20,221 (up 3.39 % over last week)

HS3 (ECSA/Cont-Med) – 39,472 (down 22.31 % over last week)

Tenders:

Saudi Arabia bought wheat:

- 625kmt, shipment, Sep-Nov, 422.47 USD/mt

Jordan's MIT tenders for milling wheat:

- 120,000 mt, shipment May-Jul

Philippine's San Miguel bought feed wheat

- 40,000 mt, shipment Aug

Philippine's San Miguel tenders for barley

- No purchase made

Japan's MAFF tenders for wheat:

- 138,000 mt, shipment June – August

Last week:

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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