



## Quanton Weekly Communications, Week 16

### Quanton Trading Teams

#### Grains:

As **unfavourable weather** engulfed most of the United States this past week, the majority of the crop progress has fallen under their perspective 5-year averages. (Agricensus)

In January-February, **Azerbaijan imported** 150.6k mt of wheat, up 7 folds.

**Serbian government** has restricted the quantities of wheat, corn, flour and cooking oil slated for export to confront risks of market disturbances. (Reuters)

**Pakistan Food ministry decides to import 3MMTs of wheat** on G2G basis. 2 MMT of wheat be imported through G2G arrangements from Russia and 1 MMT through international tenders. However, in case of restrictions, the entire quantity could be imported through TCP tendering. (Reuters, @ACOMRB)

MAGyP: **Argentina** set to harvest 57mmt of corn, 42mmt of soybeans. (Agricensus)

**French winter and spring barley crops** conditions remained stable in the week to April 18. Wheat conditions dip on drier weather. (Agricensus)

The International Grains Council (IGC) increased its world grain production forecast for the 2021/22 marketing year by 3 million mt, mostly due to an **upward revision in the Brazilian corn crop**. (Agricensus)

**Argentina's wheat sales** were up 135.3% in the week ending April 13, while corn and soybean sales dropped from the prior week. (Agricensus)

**Rain boosts Australian winter planting**, but pressures strained logistics. (Agricensus)

#### Ukraine and Russia:

**Switzerland** will maintain tight non-disclosure rules as part of its **Russian sanctions package** and keep conversations with trading houses on their purchases of Russian crude confidential. (Reuters)

**Annual inflation in Russia** accelerated to 17.62% as of April 15, its highest since early 2002. (Reuters)

**Ukraine has insufficient storage capacity** even for its reduced 2022 grain harvest. (Reuters)

**Spring planted area to be down 20% y/y in Ukraine**. (APK)

**Around 1.25 million tonnes of grains and oilseeds** are still on commercial vessels blocked in Ukrainian seaports due to Russia's invasion and part of the cargo may deteriorate soon. (Reuters)

**Ukraine limited rail exports** to the EU due to overload of capacities. (APK)

**The Ukraine corn prices remained under the pressure** of the overload of the land export capacities. The purchasing prices for supply to the Romanian port of Constanta decreased by average 5-10 USD/mt to 295-310 USD/mt. (APK)

**Russia will be able to increase exports** in the new July-June season due to high carry-over stocks in the south of the country, a record crop forecast and the expiry of a state export quota. (Sovecon)

#### Oilseeds:

**China's exports to North Korea surged** in January-March with sales of edible oil, wheat flour and pharmaceutical compounds to its reclusive neighbour skyrocketing after a COVID-induced pause. (Reuters)

**Indonesian authorities** have opened a corruption case linked to the issuance of palm oil export permits. (Reuters)

**Canadian weekly rapeseed exports** observe significant **increase of 222%**. (Agricensus)

Prices of **Russian sunflower oil** decreasing. The offer prices of Russian crude sunflower oil totalled 1845-1880 USD/mt FOB (April-May) as of the morning of April 18. (APK)

Export prices of **Ukrainian sunflower meal** pressured by high supply. The bid prices of sunflower meal totalled 300-315 USD/mt DAP-border as of April 18, compared to 350-370 USD/mt at the start of the month. (APK)

**Kazakhstan increasing sunflower oil export.** Annually, about 60% of Kazakh sunflower oil export goes to Uzbekistan. (APK)

**Indonesia will ban all exports of palm oil** from 28 April. (Agricensus)

MPOB: **Malaysia palm oil production** set to increase by 4.9% in 2022. (Agricensus)

#### Coffee:

**Lavazza** saw its revenues increased 11% to EUR 2.3 billion last year, thanks to a recovery in the "out of home" channel after the slowdown caused by the COVID-19 epidemic. **EBITDA reached EUR 312 million** in 2021, up 23.3% on 2020. The company said it expected a difficult 2022 due to raw material price rises. (IHSmakit)

**Sumatran robusta coffee exports** fell by 48.6% in March 2022. This brought total exports in the now-completed 2021/22 season down 17.7% y/y. (IHSmakit)

**Stronger demand for arabica coffee** has further lifted export prices at Cameroon's main Douala port, according to figures released by the country's National Cocoa and Coffee Board. Exporters paid 2,991 CFA francs (\$4.96) a kilogram of arabica coffee at the port, up 3.6% from XAF2,888 the week prior. (IHSmakit)

#### Cocoa:

**Patrick Achi** has been reappointed as prime minister of Ivory Coast after he resigned from the post last week. (Reuters)

**European cocoa processing figures** for Q1 2021 rose to their highest quarterly level in at least 17 years. Europe's fourth-quarter cocoa grind increased by 4.4% from a year earlier. Cocoa grinding in Germany also continued to increase for a fourth quarter in a row. (IHSmarkit)

**Barry Callebaut's** overall sales volumes rose by 8.7% y/y to reach 1,164,749 tonnes, in its first six months fiscal year 2021/22. Its chocolate business grew by a considerable 9.9%. (IHSmarkit)

#### Sugar:

**India's sugar export** jumps 65% YoY in 2021-22. (Business Standard)

#### World:

**China posted its highest quarterly pork production** in more than three years during January through March, data showed on Monday, reflecting a boost in breeding following a disease-led decline. (Reuters)

**China** will buy another 40,000 mt of **frozen pork** for its central state reserves. (Agricensus)

**MARA: China hog breeding expected to turn to profit in Q3 2022.**  
(Agricensus)

**Commodity broker Marex**, which withdrew an initial public offering (IPO) last year, is keen to list on the market and is awaiting calmer conditions before a relaunch. (Reuters)

**Ghana's economy** grew 5.4% in 2021. (Reuters)

**USDA invests \$800 million** to combat climate change across rural America. (Successful Farming)

#### Freights:

Since April 17, **the EU ports have banned the entry of Russian ships.** Entrance to the sea and river ports is prohibited for all ships under Russian flag or ships that changed their Russian registration after 24 Feb. (Agricensus)

Chinese economic data and **port congestion** lifts global freight rates. (Agricensus)

**Grain shipments by Ukrainian** railways have increased in April, but still **only 55% of potential.** (Agricensus)

**Panamax Market:** An inauspicious start for the Panamax market following the holidays, the market was slow to get started according to sources. Asia appeared poised for a further push as sentiment remained positive with some seeing better fixing activity had yet to get going thus far. A distinct lack of fixing and activity to report on but the market seemed steady according to most sources. On the surface demand ex- EC South America still appeared healthy and with a decent amount of mineral demand too, the early feelings were largely confident of a push.

Panamax Index – 3004 (down 1.26 % over last week)

Panamax 4 TC – 25,703 (down 1.32 % over last week)

Panamax 5 TC – 27,039 (down 1.25 % over last week)  
 P2A (Continent/Far East) – 37,165 (down 0.31 % over last week)  
 P6A (Singapore/ECSA RV) – 27,910 (down 4.39 % over last week)

**Supramax Market:** The Supra market in the Atlantic remains strong all main routes. USG and ECSA are most lucrative areas with strong demand for Ear East as well as across Atlantic trips. Ultramax was reported fixing USD 33,000 pd deliver Mississippi River for a trip with grains Singapore- Japan. ECSA continued with good activities during Easter holidays, though very little was reported. The Supramax rumoured to fix basis delivery Brazil at USD 50,000 pd for TCT to Mediterranean Sea with grains to Morocco. Both Atlantic and Mediterranean market followed similar trend with good activities, and we experienced a strong push on rates on certain routes. Trip from Continent to Mediterranean with scrap fixing in very high 20's drop on modern Supramax. The Owners who are willing and able to do Russian ports are getting up to 3 times premium, reaching USD 80,000 pd for delivering Baltic for any direction within Atlantic. Indian Ocean South Africa markets are stable with rates remaining strong for both backhaul and fronthaul trips. Supramax 58' dwt open WCI was fixed at USD 27,000 pd for trip to Bangladesh with aggregates. A few Ultras were heard to be fixed around low USD 35,000 dop WCI with redelivery Far East.

BSI 10TC – 29,453 (up 6.74 % over last week)  
 S1B (Canakkale via Med-Bsea/China-S.Korea) – 23,542 (down 0.35 % over last week)  
 S4B (Skaw-Passero/USG) – 18,988 (down 1.54 % over last week)  
 BHSI 7 TC – 27,077 (up 3.70 % over last week)  
 HS1 (Cont med-ECSA) – 19,900 (down 1.08 % over last week)  
 HS3 (ECSA/Cont-Med) – 38,111 (up 2.55 % over last week)

#### Tenders:

**Japan** tenders for milling wheat:

- 27,000 mt, Australian origin, shipment Jun-Aug

**Taiwan bought** milling wheat:

- 47,120 mt, US origin, shipment Jun-Aug

#### Last week:

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

- 50,000 mt

**Egypt's GASC** bought milling wheat:

- 350,000 mt, 486.34 USD/mt CFR, shipment May-June

**Japan's MAFF** tenders for milling wheat:

- 115,000 mt, shipment Jun-Aug

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

- 207,000 mt, 378.16 USD/mt
- 69,000 mt, Cargill, shipment August

**South Korea's MFG, FLC and KFA** bought soymeal at \$596.24/mt

- 596.24 USD/mt, shipment May-June

**Algeria's OAIC** bought milling wheat:

- 80,000 mt, 460 USD/mt CFR, shipment May-June

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Transforming agricultural products in time, location and form sets the core of our business. For trading opportunities and general enquiries:

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