



Quanton Weekly Communications, Week 26

Quanton Trading Teams

Grains:

India is likely to receive **monsoon rainfall** between 94% to 106% of a long-term average in July, the most crucial month for the planting of critical crops such as rice and soybeans. (Reuters)

India's rice farmers have planted 4.3 million hectares with the grain so far this season, **down 27%** from the same period last year after lower than usual June rainfall. (Reuters)

Cooler weather conditions are expected into the weekend bringing some relief to hot weather conditions experienced recently in **US, NW Europe**. (Agricensus)

Egypt's state grain importer, the General Authority for Supply Commodities (**GASC**), has made a change in its wheat tenders specifications, allowing all Russian ports to participate in wheat tender. (Agricensus)

French soft wheat conditions were stable at 64% for the week good or excellent in the week to June 27. (Agricensus)

Deral: **Brazil's Paraná safrinha corn** crop cut by 500k mt to 15.5m mt. (Agricensus)

CEC: **South Africa's corn crop** estimate at 14.67m mt, down 10% y-o-y.

Italy's worst drought in 70 years has meant salt water from the Adriatic sea is flowing back into the sluggish Po, Italy's longest river, doing further damage to crops hit by an early summer heatwave. It risks burning the already parched crops. (Reuters)

Argentine truckers strike ended on Thursday, after some unions upset with diesel shortages reached a deal to lift the one-week protest around the major port of Rosario, which is expected to help the flow of grains for export going forward. (Reuters)

The U.S. Food and Drug Administration concluded a review of Argentine biotechnology firm Bioceres' **GMO wheat** without further questions, a "key step" to commercializing it in the United States. While corn and soy crops used predominantly to feed livestock are commonly planted with GMO seeds, consumers have long opposed GMO wheat for human consumption. (Reuters)

U.S. farmers planted more **corn** than they had initially planned to take advantage of strong prices for the grain. (Reuters)

USDA: **US crop conditions** continue to slip due to scorching weather. (Agricensus)

A heat wave and fires are badly damaging **Tunisia's grain harvest**, leading the farmers union to forecast that output will fall well short of government hopes. The crop also is suffering direct damage from high temperatures,

which have already reached 47 Celsius this summer and are forecast to go as high as 49 Celsius. (Reuters)

World Food Programme said it has further **reduced rations in Yemen**, where millions face hunger, due to critical funding gaps, global inflation and knock-on effects of the Ukraine conflict. The number of people living in near-famine conditions is expected to rise to seven million in the second half of 2022. (Reuters)

Indonesia and the UAE signed a free trade agreement, strengthening economic ties between Southeast Asia's largest economy and the major oil producing Gulf state. (Reuters)

Traders looking to sell corn into the **key Asian destinations markets** are having to further reduce offer levels in a bid to test demand. (Agricensus)

Ukraine and Russia:

Russian President **Vladimir Putin** and Brazilian President, Jair Bolsonaro, discussed global food security and confirmed their intention to strengthen their strategic partnership. Putin assured Bolsonaro in a phone call that Russia would fulfil all its obligations to supply fertilisers to Brazil. (Reuters)

German Chancellor: Ties to Russia cannot return to what they were pre-Ukraine war. (Reuters)

Ukraine's richest man filed a **lawsuit against Russia** at Europe's top human rights court, seeking compensation over what he has said are billions of dollars in business losses since Russia's invasion. (Reuters)

Zelenskiy asked for **anti-aircraft defence systems**, more sanctions on Russia and security guarantees during the G7 summit. (Reuters)

Indonesian President Joko Widodo, the chair of the Group of 20 (G20) nations, will urge Russia and Ukraine to rekindle **peace talks**, and seek ways to free up exports of grain to global markets when he visits Moscow and Kyiv in coming days. (Reuters)

Indonesia's President ended a trip to Ukraine and Russia saying he hoped for progress reintegrating global food and fertiliser supply lines disrupted by the conflict, and offered to be a diplomatic bridge between the two nations. (Reuters)

Modi and Putin spoke on the phone and discussed the state of global energy and food markets. (Reuters)

Turkey can re-export grain products like wheat, oat, and barley from the Black Sea to countries in need after talks with Russia and Ukraine. (Reuters)

Ukraine has requested that Turkey **detain and arrest the Russian-flagged** cargo ship Zhibek Zholy carrying a cargo of Ukrainian grain taken from the Russian-occupied port of Berdyansk. (Reuters)

Russian wheat exports slowed this week with just one 62,500 mt Iranian-bound cargo leaving the country in the week to 30 June. (Agricensus)

US agribusiness conglomerate **Bunge** has denied reports that it planned to scale back its operations in Russia and sell **its Russian subsidiary**. (Agricensus)

Oilseeds and meals:

Ukragroconsult: **Ukraine** will be able to export **all the potential rapeseed** volumes that forecasters have expected even with its deep-sea ports blocked. (Agricensus)

India has issued quota for **duty-free soybean oil and sunflower oil** for importers with a ceiling of maximum 0.2 million mt for each buyer in a bid to check high domestic prices. Crude soybean and sunflower oil import quota has been issued to 99 and 85 importing firms respectively. (S&P)

Ukrainian exports of sunflower seeds in the week to June 27 amounted to 147,684 tons and took the total volume of exports exceeding 1 mmt. (Agricensus)

Brazil is expected to export 10.1 million mt of soybeans in June, towards the lower end of the forecast range the country's grain exporters association Anec published last week. (Agricensus)

The world's second largest palm oil producer, **Malaysia**, is expected to receive **17,987 migrant workers from Indonesia** for its plantation and manufacturing sectors in the coming one to two months. (Agricensus)

Coffee, Cocoa, Sugar:

India is considering allowing mills to **ship out stocks of raw sugar** that have piled up in ports and warehouses, weeks after it imposed curbs on overseas sale of sugar. (Reuters)

Above-average rains last week in most of **Ivory Coast's** cocoa regions were good for development of the next October-to-March main crop, but much more moisture could be damaging. (Reuters)

Meat:

Guinea has culled around 200,000 poultry at risk of being contaminated with the highly pathogenic H5N1 avian influenza, commonly known as bird flu. (Reuters)

World:

LDC: if society wants to tackle deforestation seriously, mechanisms need to be put in place to **compensate farmers for conserving trees**. (Reuters)

UN: Places including U.S. states that have legalized cannabis appear to have increased its regular use, while COVID lockdowns had a similar effect, raising the risk of depression and suicide. (Reuters)

Indigo Agriculture said its carbon farming program has produced 20,000 tonnes in **soil carbon credits** that it will sell as emissions offsets to buyers including JPMorgan Chase, Barclays and The North Face. They are the first agricultural soil carbon credits to be verified and issued by the Climate Action Reserve, a non-profit registry and carbon credit standard setter in California, the largest state-level climate market. (Reuters)

India will raise taxes on certain goods and services including kitchenware to 18% from 12%. Kitchen utensils, LED lights, farm machinery, solar water

systems as well as services like work contracts for roads, irrigation projects, hospitals and educational institutions would now be charged at the higher rate. (Reuters)

India imposed a ban on single-use plastics on items ranging from straws to cigarette packets to combat worsening pollution in country whose streets are strewn with waste. (Reuters)

British snack chain **Pret** will adapt its menu to local tastes when it **opens in Indian cities** and airports under a partnership with retail giant Reliance. (Reuters)

Ghana, one of West Africa's largest economies, will hold formal talks with the **IMF on a support package**, the government said on Friday, after hundreds took to the streets protesting mounting hardship. (Reuters)

Freights:

Ukraine's state rail operator has increased by **70%** the coefficient that determines the rail **transportation tariff** within Ukraine with immediate effect. (Agricensus)

Freight rates for palm oil shipments have seen a jump in the last month following the lifting of Indonesia's export ban, as sellers sought to move cargoes and relieve inventory pressure amid a dearth of vessel supply. (Agricensus)

Panamax Market: A slow week trading across the board, with the negative market showing no signs of abating with little fresh demand surfacing. In the Atlantic, sources spoke of a regurgitation of the same tonnage along with a growing list of ballasters rearing their heads only adding to the soft sentiment already in existence. Similarly, Asia continued to lack any support despite several fresh enquires ex-Indonesia, but versus an ever-growing list these were being easily absorbed.

Panamax Index – 2,477 (down 8.80 % over last week)

Panamax 4 TC – 20,961 (down 9.34 % over last week)

Panamax 5 TC – 22,297 (down 8.78 % over last week)

P2A (Continent/Far East) – 30,900 (down 6.28 % over last week)

P6A (Singapore/ECSA RV) – 23,432 (down 8.13 % over last week)

Supramax Market: Supramax market yet took more beating for another week. The negative trend spreading across all basins and Owners seeking to reposition the tonnage in better areas, like loading in ECSA with better rates compared to USG. In the Baltic and Continent market become more stable during the week and one can say, it bottomed out. The rates did not have much impact due to the surplus of tonnage available in the area. Market in Far East and Indian Ocean were more stable, and rates are flat, perhaps with very small premium from last week.

BSI 10TC – 25,192 (down 6.95 % over last week)

S1B (Canakkale via Med-Bsea/China-S.Korea) – 21,429 (down 4.30 % over last week)

S4B (Skaw-Passero/USG) – 16,214 (down 1.83 % over last week)

Handy Market: The Pacific continued to soften this week. While cargo enquiry from Indonesia remained firm, a severe lack of option via Nopac and Australia meant that most Owners' hopes were pinned on SE Asia. In the Atlantic, there are some signs that prompt tonnage in the USG may be starting to thin, but the South remains under pressure.

BHSI 7 TC – 22,973 (down 4.51 % over last week)

HS1 (Cont med-ECSA) – 13,979 (down 7.81 % over last week)

HS3 (ECSA/Cont-Med) – 29,572 (up 0.43 % over last week)

Tenders:

South Korea's KFA bought corn:

- 58,000 mt, 343.49 USD/mt, Olam, shipment Oct

South Korea's NOFI bought corn:

- 136,000 mt, COFCO POSCO, shipment Oct

South Korea's MFG bought corn:

- 136,000 mt, Olam

Taiwan's MFIG and FMA bought:

- 55,000 mt corn, shipment Aug – Sep
- 40,000 mt wheat, shipment Aug – Sep

Egypt's GASC bought wheat:

- 350,000 mt, French origin
- 240,000 mt, Romanian origin
- 175,000 mt, Russian origin
- 50,000 mt, Bulgarian origin

Jordan's MIT bought wheat:

- 60,000 mt, 445 USD/mt, shipment Sep

Saudi Arabia's SAGO bought wheat:

- 495,000 mt, 441.93 USD/mt, shipment Nov-Jan

Turkey's TMO tenders for sunoil:

- 18,000 mt, shipment Jul – Aug

Last week:

South Korea's KFA tenders for corn:

- Shipment Sep

South Korea's private buyer bought corn:

- 185,000 mt, SAm origin, Shipment Sep

Japan tenders for wheat:

- 168,000 mt, shipment Aug and Oct

Saudi Arabia's SAGO tenders for wheat:

- 480,000 mt, shipment Nov – Jan

Saudi Arabia's SAGO bought wheat:

- 540,000 mt, shipment Jul – Aug

Pakistan's TCP tenders for wheat:

- 500,000 mt, shipment Aug – Sep

Jordan's MIT bought barley:

- 120,000 mt, shipment Oct – Nov

Tunisian's ODC bought barley:

- 50,000 mt, shipment Jul – Aug

Tunisian's ODC bought wheat:

- 100,000 mt, shipment Jul – Aug

Tunisian's ODC bought wheat:

- 100,000 mt, shipment Jul – Aug

Algeria's OAIC bought wheat:

- 660,000 mt, 445 USD/mt CFR

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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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