



Quanton Weekly Communications, Week 33

Quanton Trading Teams

One more ship carrying grain has left Ukraine's Chornomorsk port on Thursday, bringing the total number of vessels to leave Ukraine's Black Sea ports under a U.N.-brokered grain export deal to 25. (Reuters)

Grains:

Wheat futures plunge to multi-month lows amid bearish headlines. (Agricensus)

The International Grains Council IGC sees world corn production at 1.1 bln mt, down 41 million y-o-y. (Agricensus)

Germany may have lost 600,000 mt of corn production in the current marketing year due to droughts, according to Germany's Raiffeisen Association (DRV). (Agricensus)

French corn crop conditions continued to deteriorate in the week ending August 15, falling by another three percentage points from last week as the hot, dry summer continues to take its toll. (Agricensus)

Preliminary analysis of crop samples show a marked drop in average protein content for French wheat this year compared with last year and the five-year average. (Agricensus)

French sorghum production grew to nearly 400,000 tonnes in 2021 from 244,000 tonnes in 2016. Of the nearly 800,000 metric tonnes of sorghum produced in Europe in 2021-22, only about a quarter will be for human consumption, the rest mostly for animal feed, EU data show. (Reuters)

The very good quality of the US hard red winter harvest is holding up as the harvest slowly advances in the northern plains. (Agricensus)

Canada's wheat exports gain pace, barley 88% down y-o-y. (Agricensus)

Sri Lanka faces looming food crisis with stunted rice crop. (Reuters)

Vietnamese authorities have held a meeting with Russian representatives to discuss the resumption of wheat and corn imports. (Agricensus)

China's July 2022 corn imports lower y-o-y at 1.54 million mt

China has issued its first national drought alert of the year as authorities battle forest fires and mobilise specialist teams to protect crops from scorching temperatures across the Yangtze river basin. According to data from China's emergency ministry, high temperatures in July alone caused direct economic losses of \$400 million, affecting 5.5 million people. (Reuters)

China's food giant Cofco, Sinograin's first joint venture was established to manage the country's huge grain reserves. The venture, called the China Enterprise United Grain Reserve Co. Ltd, will be 51% owned and controlled by Sinograin. (NASDAQ)

Ukraine and Russia:

Ukraine can export 3 million tonnes of grain from its ports in September and may in the future be able to export 4 million tonnes from them monthly. (Reuters)

The winter grain area sown by Ukraine could fall by 30% to 60% in 2023 without state assistance and an increase in grain exports. (Reuters)

The first ship to depart Ukraine under a deal to resume grain exports from the country two weeks ago docked in the Syrian port city of Tartous on Tuesday. (Reuters)

Explosions erupted overnight near military bases deep in Russian-held areas of Ukraine and Russia itself, an apparent display of Kyiv's rapidly growing ability to wreak havoc on Moscow's logistics far from front lines. (Reuters)

Grain corridor deals sees Ukrainian weekly grain exports spike 47% w-o-w. (Agricensus)

Sanctions cut Russian farmers access to parts for foreign-made farming machinery, raising fears for 2023

Oilseeds and meals:

China fails to sell imported soybeans in auction August 19, held by the National Grain Trade Centre (NGTC). (Agricensus)

Brazil's new crop soybean acreage and output estimates have been raised by USDA's post. Crop pegged at 144m mt. (Agricensus)

Exports of sunflower oil from Ukraine's Black Sea ports under a "grain corridor" agreement between the UN, Ukraine, and Turkey have increased to 14,000 mt. (Agricensus)

Coffee, Cocoa, Sugar:

Q

Meat:

Australia and New Zealand were aware of Chinese media reports of a ban on meat imports from both countries by Beijing but said they had not received any official notice and shipments had been clearing as normal.

Weather:

Q

World:

India's silver imports are set to triple in 2022 from a year ago to record highs after a dip in prices to 2-year lows spurred investors to bet that the metal was primed for a rebound and could outperform gold in the coming years. (Reuters)

China firmly opposes trade talks between the United States and Taiwan and says it will take all necessary measures to firmly safeguard its sovereignty, security and development interests(Reuters)

Malaysia plans to learn from the cannabis policy of neighbouring Thailand in its effort to legalise use of the drug for medical purposes, in a country where possession can bring the death penalty. (Reuters)

Consumer prices in Russia declined for the sixth week running, as the rouble's appreciation in the past few months and a drop in consumer demand weighed on the pace of price growth. The consumer prices index (CPI) dipped 0.13% in the week to Aug. 15 after easing 0.08% a week earlier. (Reuters)

Treasury Wine Estates Ltd posted a 5.3% rise in annual profit, as strong U.S. sales and price hikes more than offset a hit from hefty Chinese tariffs on Australian wine. (Reuters)

The United States has announced additional funding of over \$68 million USD to the UN World Food Program (WFP). (Agricensus)

Fertilisers:

Q

Freights:

China is scrambling to alleviate power shortages and bring more water to the drought-hit basin of the Yangtze river as it battles a record-breaking heatwave by deploying relief funds, seeding clouds and developing new sources of supply. (Reuters)

Around 20 ships are stuck in traffic along Germany's river Rhine, where low water levels have already impeded shipping this summer, after a vessel's engine failure closed part of the waterway. A vessel with a 1,660-ton load was forced to drop anchor due to an engine failure. (Reuters)

Water levels at a critical chokepoint on the Rhine River are forecast to soon rise to levels that would facilitate the full loading by next week. (Agricensus)

Panamax Market: A week of red has passed and with the exception of Indonesian coal there is no immediate sign of a floor being found. In the Atlantic, the tonnage list is not overwhelming. In the Pacific, the Indonesian coal market is active with rates slightly up the last few days, however for Nopac and Aussie the levels are still under pressure. A limited supply of EC South America cargoes is also a negative factor. A few period fixture have been reported but it seems most Owners holding back from period fixing at the moment.

Panamax Index – 1688 (down 12.97 % over last week)

Panamax 4 TC – 13,852 (down 14.24 % over last week)

Panamax 5 TC – 15,188 (down 11.86 % over last week)

P2A (Continent/Far East) – 23,691 (down 11.86 % over last week)

P6A (Singapore/ECSA RV) – 15,105 (down 11.93 % over last week)

Supramax Market: Supramax open Phu My was said to fix trip via Australia redelivery India at low USD20,000. From ECSA Supramax open Rio De Janeiro booked for a trip Singapore- Japan at USD 16,000 plus bb USD 600,000. Supramax open Lome was linked to a trip to China at USD 14,500.

The other unit open Tema covered for fronthaul delivery Owendo in the mid USD 16,000. All in all, shipment volumes are not growing. Meanwhile the fleet continue to grow slightly under 3% year on year, meaning downward marker pressure remains.

BSI 10TC – 19,082 (up 8.15 % over last week)

S1B (Canakkale via Med-Bsea/China-S.Korea) – 19,858 (up 2.27 % over last week)

S4B (Skaw-Passero/USG) – 16,057 (up 3.20 % over last week)

Handy Market: In the Atlantic, USG tonnage has started to clear, with rates in the region generally holding steady week on week. ECSA generally saw levels slide earlier in the week but eventually found a floor. In the Pacific, sentiment has firmed and rates on a number of routes have starts to pick up, with ES Asia looking tight.

BHSI 7 TC – 17,258 (down 1.81 % over last week)

HS1 (Cont med-ECSA) – 12,546 (down 3.73 % over last week)

HS3 (ECSA/Cont-Med) – 21,444 (down 16.78 % over last week)

Tenders:

Egypt's GASC tenders for vegoil:

- 3,000 mt soyoil, shipment Oct - Nov
- 1,000 mt sunflower oil, shipment Oct – Nov

Iraq tenders for US wheat:

- 50,000 mt

Saudi' SAGO bought wheat:

- 180,000 mt, SALIC, shipment Oct – Feb

Bangladesh tenders for wheat:

- 50,000 mt

Jordan bought wheat:

- 60,000 mt, 385.50 USD/mt, Cargill, shipment Feb

Last week:

Jordan tenders for feed barley:

- 120,000 mt

Jordan tenders for wheat:

- 120,000 mt

South Korea's importer group bought corn:

- 60,000 mt, 346.5 USD/mt, COFCO, shipment Nov

Japan tenders for feed wheat:

- 70,000 mt, shipment Nov

Japan tenders for barley:

- 40,000 mt, shipment Nov

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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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