



## Quanton Weekly Communications, Week 36

### Quanton Trading Teams

#### Grains:

**French corn** harvest advanced slowly in the week ending 5 Sep, **conditions fall** further. (Agricensus)

**Wheat shipments from France's** main grain export hub of Rouen dropped 60% to 79,000 mt in the week to 7 Sep. (Agricensus)

A wetter forecast for **Australia** has elevated **concerns** over the availability of **higher protein** wheat grades this season. (Agricensus)

**Argentina** has **started its corn and soybean campaign** for the 2022/23 season with the driest conditions experienced over 27 years. (Agricensus)

Agrural: **Brazil's** second corn **safrinha** harvest has reached **a completion** rate of 98.2%, virtually concluded. (Agricensus)

BAGE: Recent **frosts in Central and Northern Argentina** have harmed the quality of sunflower and wheat crops quality. (Agricensus)

**India banned exports of broken rice** and imposed a 20% duty on exports of various grades of rice on Thursday as the world's biggest exporter of the grain tries to augment supplies and calm local prices after below-average monsoon rains hit planting. Broken rice prices jumped 38% so far in 2022 as exports during April-August. (Reuters)

On 8 Sep, **Platts Indian 100% broken white rice** assessment hovered at **\$320/mt**. Platts assessed equivalent 5% broken white rice products in Thailand and Vietnam -- at premiums of \$46/mt and \$49/mt. (Platts)

**Thailand** is aiming for **rice exports of 7.5 million tonnes** this year, due to increased output and a weak baht amid global food insecurity. (Reuters)

**Abundant rice supplies** in key exporters may largely offset an expected drop in output after floods in Pakistan and severe heatwave in China damaged crops, capping any gains in prices from steady Asian demand. (Reuters)

#### **Ukraine and Russia:**

**Putin** expects to discuss Black Sea grain deal with **Erdogan** next week. Erdogan will urge Moscow to send goods though a U.N.-backed Black Sea corridor. Putin wants to **restrict destinations for Ukraine's grain exports**. (Reuters)

**Too few ships are arriving in Ukraine** to quickly clear mountains of grain built up over months of war despite a U.N.-backed sea corridor, threatening to drive up global food prices and leave the country's cash-strapped farmers struggling to plant crops. (Reuters)

**Senior U.N. and Russian officials met in Geneva** to discuss Russian complaints that Western sanctions were impeding its grain and fertilizer exports despite a U.N.-brokered deal to boost Russian and Ukrainian shipments of the commodities. (Reuters)

**In Ukraine**, harvesting of corn, sunflower and soybeans continue, the pace of **harvesting remains slow**, but yields have increased. (Agricensus)

#### Oilseeds and meals:

**European sunoil** prices drop to 1-year low on bearish global sentiment. (Agricensus)

The **Argentinian** government has set a **new foreign exchange rate** for **soybean** complex exporters that aims to stimulate shipments, raise the central bank's reserves and boost farmer sales. (Platts)

Malaysian palm oil planters are letting thousands of tonnes of fruits rot as the third year of a worker shortage has left companies unable to increase their harvesting during the peak production season. **Palm oil output in Malaysia** is forecast to **decline from last year's** 18.1 million tonnes. (Reuters)

Chinese authorities sold off **14,964 mt** of soybeans out of **497,793 mt** offered in the **latest auction**. (Reuters)

**China** may have **bought** as many as **20 soybean cargoes** for spot shipment from Argentina this week, following bumper farmer bean sales. (Agricensus)

**China's August 2022 soybean imports** plummet y-o-y to **7m mt**. (Agricensus)

**Ethiopian sesame seed exports** reached 83,350 tonnes, **33% less y/y** in volume and **25% less in value**, January-August 2022. The main importers of Ethiopian sesame were Israel, the UAE and Vietnam, accounting for 30%, 18% and 11%, respectively, of the volume. (Agricensus)

#### Coffee, Cocoa, Sugar:

The **EU** is expected to have a **shortfall of 785,000 mt of sugar** in the new season that starts in October as plants - many of which were converted back to oil from gas - started beet processing earlier than normal. (Nasdaq)

**Sugar and salt shortage** worsens **Philippines** food supply woes. Coca-cola's sugar supply in Philippines hits 'critical' level. (Bloomberg)

#### Meat:

**EU** imports of **Ukrainian chicken** soar after quota lifted. (Reuters)

**New bird flu wave in France** raises fears deadly virus here to stay. (Reuters)

**China** will sell 37,700 mt of **frozen pork from its central reserves** on September 8, in a bid to curb surging prices. (Agricensus)

#### Weather:

**Japan's weather bureau** predicts a **70% chance the La Nina weather** phenomenon will continue in the northern hemisphere through the winter. (Reuters)

**Rains** are expected to bring some **relief to drought-affected Europe** over the coming days. (Agricensus)

#### World:

**China's** commerce ministry said **U.S. moves on tariffs** would hurt U.S. companies and consumers, in response to reports that President Joe Biden

was holding back on a decision to scrap Trump-era tariffs on Chinese imports. (Reuters)

**South Africa** halts orange exports to EU over fungal disease. (Reuters)

**Tunisians** are fighting a losing battle with drought and disease that is driving many to abandon plantations where they grow some of the world's finest dates. (Reuters)

**More than 700 children have died in Somalia** nutrition centres. The centres are for children with severe acute malnutrition as well as illnesses such as measles, cholera or malaria and offer a snapshot of the situation across the country. (Reuters)

#### Fertilisers:

**Fertilizer prices spike again** as Russia cuts natural gas supply. Fertilizer prices remain off the highs of \$1,270.40 hit in late March. But they're back on the charge following Russia's decision to cut off natural gas supplies to Europe. (Forbes)

#### Freights:

**Ukraine's** decision to allow its **seafarers to leave the country** despite wartime restrictions will free up vital manpower for both Ukrainian grain exports and the wider global shipping industry. (Reuters)

**Egypt** has been negotiating to **replace a detained Ukrainian wheat shipment**. The cargo of about 60,000 tonnes of Ukrainian wheat is currently aboard a ship called Emmakris III that was detained in July at the request of Ukraine's prosecutor general to investigate its alleged Russian owner. (Reuters)

**Panamax Market:** The recent resurgence in the Panamax market continued to gain ground again this week with signs in some parts of tonnage count thinning sources said. With solid levels of demand ex-South America, Indonesia and North Pacific. The Atlantic was said to be largely driven by support driven ex- EC South America with better levels getting paid particularly for those ships able September arrival. Further North the mineral trades were still seeing less support levels. In Asia, demand ex-Indonesia continued to support the tonnage open in the south of the region, whilst grain trips ex- North Pacific were paying a premium over mineral trips culminating in the bid / offer returning a widespread depending on the trade.

Panamax Index – 1619 (up 27.38 % over last week)

Panamax 4 TC – 14,479 (up 43.27 % over last week)

Panamax 5 TC – 15,815 (up 38.22 % over last week)

P2A (Continent/Far East) – 21,727 (up 26.82 % over last week)

P6A (Singapore/ECSA RV) – 16,277 (up 42.33 % over last week)

**Supramax Market:** The Supra and Ultra Atlantic market remain pretty much unchanged from previous weeks. Though we can notice ECSA market was a bit more active compared to the previous week, level remain unchanged. Black Sea market expects some improvement after Ukraine started exporting grain. The marker reacted positively and remain stable in the

Black Sea and Mediterranean. The Pacific Basin showed signs of more activity and rates are stable.

BSI 10TC – 16,227 (down 2.59 % over last week)

S1B (Canakkale via Med-Bsea/China-S.Korea) – 17,917 (down 6.89 % over last week)

S4B (Skaw-Passero/USG) – 14,971 (down 3.61 % over last week)

**Handy Market:** In the Atlantic, ECSA pushed upwards later in the week alongside firming Panamax market, but tonnage remains fairly plentiful overall, with Continent coal imports driving building tonnage in the region. In the Pacific, Indonesian coal volume to India / China have slowed but a tonnage clear-out has helped to prevent rates falling significantly.

BHSI 7 TC – 15,709 (up 0.38 % over last week)

HS1 (Cont med-ECSA) – 9,964 (down 7.37 % over last week)

HS3 (ECSA/Cont-Med) – 18,778 (up 9.90 % over last week)

#### Tenders:

**China** auctioned 500,000 mt of imported soybeans:

- 14,964 mt sold

**RPT-Iraq** bought USD wheat:

- 100,000 mt, 494 USD/mt, Andersons

**Taiwan** flour mills bought US wheat:

- 55,375 mt

**Taiwan** tenders for corn:

- 65,000 mt, no purchase

**Japan** tenders for feed wheat:

- 70,000 mt, shipment Dec – Feb

**Japan** tenders for barley:

- 40,000 mt, shipment Dec – Feb

**South Korea's NOFI** bought feed wheat:

- 55,000 mt, 349.3 USD/mt, ETG, shipment Jan-Feb

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

- 65,000 mt, Australian origin, 351.75 USD/mt, CJ, shipment Dec-Jan

**Jordan** tenders for barley and wheat:

- 120,000 mt each

**Jordan** bought wheat:

- 60,000 mt, 347 USD/mt, Viterra, shipment Feb

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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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