



## Quanton Weekly Communications, Week 37

### Quanton Trading Teams

#### Grains:

The French corn harvest continues to advance slowly week ending September 12, as poor crop conditions remain unchanged according to the weekly update. (Agricensus)

An almost complete analysis of the quality of French wheat this season shows results largely average 11.4% protein content in 2021/22.

French state-backed farm agency FranceAgriMer has cut its forecast for French soft wheat exports to third countries.

Rice loading has stopped at Indian ports and nearly one million tonnes of grain are trapped there as buyers refuse to pay the government's new 20% export levy on top of the agreed contract price. Around 750,000 tonnes of white rice are lying at ports. (Reuters)

India's rice exports could fall by around a quarter this year as New Delhi's restrictions force buyers to switch to rival suppliers which are offering the grain at a cheaper price. Rice shipments reached a record 21.2 million tonnes in the 2021/22 fiscal year, more than the combined shipments of the world's next four biggest exporters of the grain: Thailand, Vietnam, Pakistan and the US. (Reuters)

Egypt's GASC requires wheat suppliers to register with the country's commodities exchange before November. GASC added in a letter sent to traders that it will not buy from unregistered suppliers from the start of November. (Reuters)

GASC has allegedly agreed to make a replacement for the Ukrainian milling wheat cargo stuck in port.

Argentina's main farming zones are facing the driest conditions in around 30 years, agricultural and weather experts said, raising fears about a new "great drought" and stalling planting of corn. Farming towns in Buenos Aires had only 6 mm of rain in the southern winter from June-August, the lowest since 1933. (Reuters)

Argentine wheat farmers are starting to abandon some lots of wheat due to prolonged drought. In the last month the percentage of the area sown with wheat with regular or dry humidity went from 29% to 46%, while the percentage of lots in regular to bad conditions rose from 18% to 34%. (Reuters)

Corn planting in Brazil's Rio Grande do Sul reached 35% of the expected area in the week ending 15 September. (Reuters)

#### Ukraine and Russia:

Russian consumer prices fell for a 10th straight week, led by a drop in prices for some staple vegetables, just two days before the central bank is expected to trim interest rates for the sixth time this year. (Reuters)

**Oilseeds and meals:**

China sold 119,300 mt of soybeans out of around 500,000 mt offered in the twenty-sixth imported soybean auction.

BAGE: The lack of humidity and low temperatures have kept sunflower sowing from advancing significantly in Argentina.

The Turkish government is raising the import duty on sunflower oil from zero to 10%.

China-based traders have bought another ten cargoes of Argentinian soybeans.

**Coffee, Cocoa, Sugar:**

Ivory Coast has starting selling cocoa contracts for the 2023/24 season with a non-negative premium for the first time in three years, as the regulator seeks to support farmers. CCC sold 25,000 tonnes in cocoa export contracts last week to Cargill. (Reuters)

Barry Callebaut, the world's biggest chocolate maker, is on track to meet its target to trace the source of all the cocoa in its direct supply chain by 2025, making sure it does not come from protected forests. (Reuters)

Sales by branded coffee shops in the US increased 10% in the 12 months to June 2022 to \$45.8 billion, a value that is 96% of its pre-pandemic sales, while the number of stores surpassed those seen before 2020. (Reuters)

British Prime Minister Liz Truss is preparing to scrap sugar taxes on soft drinks and ditch some anti-obesity measures to ease the cost-of-living crisis in the country. (Reuters)

**Meat:**

Europe's biggest pork producer, Danish Crown, said on Thursday it would cut 350 jobs at two factories in Denmark as a result of declining supplies from farmers hit by rising energy and feed prices. Over the last two years, Danish Crown has almost constantly had more pigs ready for slaughter than its factories could handle. (Reuters)

China is expected to release around 200,000 mt of pork from state and local reserves in September. (Agricensus)

**World:**

Indonesia's exports were seen slowing in August as prices of some of its top commodities declined, but recorded a \$5.76 billion trade surplus in August. Exports up 30.2%, vs 19.2% in poll. Imports up 32.8%, vs 30.6% in poll. (Reuters)

UK: more than 500,000 Somali children under five are expected to suffer severe acute malnutrition and risk death from famine this year, a number unseen in any country this century. Last week that over 700 children had died in nutrition centres across the country. (Reuters)

Argentina's inflation rate, heading towards 100% this year, likely eased in August versus a 20-year peak the month before. (Reuters)

A wildfire raging since Monday in southwestern France prompted authorities to evacuate an extra 500 people on Wednesday, bringing the total to over 1,000 in an area already hit this summer by huge blazes. (Reuters)

White House: U.S. investment in foreign chip companies is a potential concern for the Biden administration, but stressed it has not yet made a final decision on a potential mechanism regulating U.S. investments in China. (Reuters)

German wholesale prices grew slightly in August compared with the previous month. Year-on-year, the increase in German wholesale prices eased for the fourth consecutive month, rising in August by 18.9%. (Reuters)

#### **Fertilisers:**

A UN proposal that Russia resume exporting ammonia via Ukraine has raised hopes that a global shortage of fertilizer could be eased. (Reuters)

U.N. chief Antonio Guterres spoke with Putin on Wednesday about Ukrainian Black Sea grain exports and that he was hopeful a UN-brokered deal would be maintained and expanded to include Russian ammonia. (Reuters)

President Vladimir Putin said Russia was ready to provide more than 300,000 tonnes of Russian fertilisers stuck in European ports to the developing world for free if Europe agreed to further relax sanctions on Russian exports. (Reuters)

Zelenskiy would only support the idea of reopening Russian ammonia exports through Ukraine if Moscow handed back Ukrainian prisoners of war (POWs) to Kyiv. (Reuters)

#### **Freights:**

Around 82 ships with 418 seafarers remain stuck around Ukrainian ports despite the opening of a U.N.-backed sea corridor to ship grains with efforts to get the mariners sailing still stuck. (Reuters)

Panamax Market: A week of further gains for the Panamax market. The Atlantic continued on its firm path of late with firmer numbers being concluded particularly for the longer fronthaul trips in the North, and whilst mineral transatlantic activity was minimal rates here too improved as further south demand ex EC South America continued to offer support in the Atlantic and Indian Ocean / Southeast Asia for the fronthaul trips. Asia continued to witness solid levels of demand ex NoPac and Australia and rates here continued to increase further. Indonesia continued to offer good cargo count.

Panamax Index – 1990 (up 22.92 % over last week)

Panamax 4 TC – 16,577 (up 14.49 % over last week)

Panamax 5 TC – 17,913 (up 13.27 % over last week)

P2A (Continent/Far East) – 23,750 (up 9.31 % over last week)

P6A (Singapore/ECSA RV) – 18,273 (up 12.26 % over last week)

Supramax Market: Strong surge in vessels heading to the major loading countries in Asia the last weeks, almost up to similar heights as last year. Apart from that there is very little change in the indicators for long term. This week there was although tick more activity from USG to ECSA. From the East is appeared more Australiana and NoPac cargoes / requirements.

BSI 10TC – 17,057 (up 5.11 % over last week)

S1B (Canakkale via Med-Bsea/China-S.Korea) – 18,554 ( up 3.56 % over last week)

S4B (Skaw-Passero/USG) – 15,157 (up 1.24 % over last week)

Handy Market: In the Atlantic, cargo demand in the USG was healthy this week and tonnage thinned out somewhat, but while rate levels picked up. ECSA still generally offered better options. In the Pacific, tonnage is fairly tight, especially in SE Asia, albeit with more tonnage and activity in the ISC.

BHSI 7 TC – 16,281 (up 3.64 % over last week)

HS1 (Cont med-ECSA) – 10,193 (up 2.30 % over last week)

HS3 (ECSA/Cont-Med) – 21,306 (up 13.46 % over last week)

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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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