



Quanton Weekly Communications, Week 41

Quanton Trading Teams

Grains:

The 120-day UN-brokered **Black Sea Grain Initiative** is going to end on 19 Nov and the market is not confident of an **extension** given the increased tensions. (S&P)

U.N. aid chief Martin Griffiths voiced **confidence** that a U.N.-brokered deal allowing Ukrainian Black Sea grains exports **could be extended** and even expanded despite apparent revenge strikes by Russia on Kyiv. (Reuters)

The Czech Republic expects to see a total **grain harvest** of just over 8 million mt this year, on par with last year's harvest and 6.4% above the five-year average. (Agricensus)

Lithuania and Mexico have agreed on phyto requirements for wheat and opens doors for Lithuanian wheat exports to Mexico. (CM)

India will allow overseas **broken rice** shipments of 397,267 tonnes backed by LCs issued before 8 Sep, as a sudden ban on exports of the grain prevented the loading of cargoes. On 8 Sep, India banned exports of broken rice. The surprise move trapped nearly 1 million tonnes of rice that was moved to the ports or was in transit before the government made the announcement. (Reuters)

Philippines Import Group has booked **three cargoes** each about 50,000 mt of **Australia feed wheat** for Jan – Feb shipment from ETG and CBH at around mid \$340s/mt CFR 13 Oct. San Miguel may also have covered positions for February-April shipments. (S&P)

South Korea's Major Feedmill Group booked **65,000 mt of feed wheat** from CJ for 7 Feb – 17 Mar shipment at \$354.49/mt including second port premium. (S&P)

Jan – Feb arrival **corn** at \$348.50/mt CFR **NE Asia** 13 Oct. (S&P)

U.S. crop exports at Louisiana Gulf Coast terminals were at their lowest level in nine years for the first week of October, a period when export shipments typically accelerate. **Low water** on southern sections of the **Mississippi River** closed the major shipping waterway for days last week, halting the flow of grain barges from Midwest farms to the nation's largest grain shipping port. (Reuters)

BAGE moved **Argentina's wheat production** down to 16.5 mmt, as drought conditions across Argentina are negatively affecting crop quality and delaying planting progress. (Agricensus)

A vault built on an Arctic island to preserve the world's crop seeds from war, disease and other catastrophes will receive new deposits, including for the first time from Iraq and Uruguay. (Reuters)

Ukraine and Russia:

Ukrainian grain exports fell by 6.7% during the week ending October 14, following the uncertainty surrounding the future of the Black Sea grain corridor. (Agricensus)

Russian State Department: Washington does not see Russian Foreign Minister's comment that **Moscow is open to talks** with the West over the war in Ukraine as a "constructive, legitimate offer" to engage in dialogue. (Reuters)

With nearly **100 grain-laden ships** reaching towards the horizon off Istanbul, the U.N. official overseeing exports from Ukraine is asking Russia and other parties to end "full-blown" inspections of outgoing vessels to ease the backlog. **Ukraine has exported more than 6.8 million tonnes of grain** and other foodstuffs, about a third of its storage, since a sea corridor from the war-torn country opened in July. (Reuters)

Zelenskiy: **increased financial support** from international donors **will help end Russia's war in Ukraine** more quickly, citing the need for \$38 billion to close next year's estimated budget deficit. (Reuters)

Moscow has submitted concerns to the United Nations about an agreement on Black Sea grain exports, and is prepared to **reject renewing the deal** next month unless its demands are addressed. (Reuters)

Russian wheat and barley taxes were revised **up by 34%** this week, while corn export tax was cut down for the October. (Agricensus)

Oilseeds and meals:

Malaysia's end-September **palm oil inventories** ballooned to the **highest in nearly three years**, as a pick up in production offset strong exports. Stockpiles rose 10.54% from August to 2.32 million tonnes, the highest since October 2019, according to the Malaysian Palm Oil Board (MPOB). (Reuters)

China sold 310,337 mt of soybeans out of the total 504,442 mt offered in the **29th Auction**. (Agricensus)

China's soybean crush volumes declined to 1.52 million mt during the country's week-long national holiday. (Agricensus)

Coffee, Cocoa, Sugar:

France has released **strategic fuel reserves** for sugar producers after they warned that a lack of diesel impacting the harvesting of **sugar beet** could lead to factory stoppages. (Reuters)

Heavy rainfall has spoiled **Indian sugar mills'** plans for an early start to cane crushing so raw sugar exports could get underway before supplies start coming on the market from rival exporter **Thailand**. The sugar-crushing season in Thailand usually starts in late November or early December. (Reuters)

Europe's largest sugar producer **Suedzucker** posted **a rise of almost 80% in quarterly earnings** and again forecast increased full-year profits, despite higher energy and raw materials costs, supported by the strong

performance of its sugar and biofuel sectors. The company's performance in coming months will depend on sufficient energy supplies being available after Russia cut gas deliveries to Europe. (Reuters)

French sugar maker **Tereos** had reached an agreement with a group of Romanian farmers to **sell its local sugar business**, less than a month after saying it would close the factory because talks with a potential buyer had failed. (Reuters)

Record-high sugar prices in the EU, nearly three times levels seen a year ago following extreme weather and a surge in energy costs, are forcing confectioners to consider production cuts. Sugar dealers and industry experts said spot prices for **refined white sugar** on the continent are trading at around **1,050 euros (\$1,016.61) a tonne** - their highest level yet. (Reuters)

Meat:

The New Zealand government confirmed plans to price agricultural long-lived gases and **biogenic methane** that mainly comes from cow and sheep burps separately, in a plan that farm groups have raised concerns about. (Reuters)

More than a dozen calves wait at a research farm in **New Zealand** to be fed **Kowbucha**, a probiotic that studies show reduces burps -- or **methane emissions**. (Reuters)

Romania has confirmed an outbreak of **African Swine Fever** at a large pig farm in the western county of Timis and that **39,000 animals will be culled**. (Reuters)

U.S. Supreme Court justices questioned whether upholding a California law **banning the sale of pork from pigs kept in tightly confined spaces** would invite states to adopt laws imposing their political or moral views outside their borders. (Reuters)

Weather:

Australia's southeast region was warned to prepare for an intense weather system which could bring damaging winds and heavy rains this week. (Reuters)

Energy:

The government of Panama and energy companies, including SGP BioEnergy, will add **green hydrogen production** to an advanced biorefinery in development. Victoria is expected to be the worst-hit state with authorities urging residents in remote regional areas to stock essential supplies for at least three days as they fear rapidly rising waters could cut off entire towns. (Reuters)

World:

Rains eased in Australia's New South Wales, but authorities continued to warn people to be aware of rising **flood** waters, as days of rain in much of the most populous state has swollen rivers and caused flooding. (Reuters)

Portugal's government, major business associations and the country's second-largest labour union UGT have struck a deal to **raise the wages of private sector workers by 5.1% in 2023**. (Reuters)

Spanish police had dismantled a criminal gang they believe was the **largest financier of drug trafficking in Europe**. The gang, which operated out of a restaurant in an industrial park outside Madrid, is believed to have laundered about 300 million euros (\$292 million) a year. Clients would visit the restaurant in Fuenlabrada each day to collect cash that was handled by Chinese nationals based in the local area, police said. (Reuters)

A lack of rain and snow in central California and restricted water supplies from the Colorado River in the southernmost part of the state have withered summer crops like **tomatoes and onions** and threatened leafy greens grown in the winter. (Reuters)

Mexico moves to **exempt** some foodmakers and retailers from **quality checks** from national health regulators, as part of an anti-inflation plan to keep costs down. (Reuters)

Ghana's finance ministry has formed a five-member committee with the Bank of Ghana to lead discussions with the financial services industry concerning an IMF programme. An IMF team visited Ghana last week for talks about a **potential loan programme** Ghana requested support. (Reuters)

A parasite known as "**jasside**" could **reduce Ivory Coast's cotton** out by between 30% and 40% this year. Output was forecast to pick up to 570,425 tonnes for the 2022/23 season, which started in May and will run until April, up from 539,623 tonnes during the previous season. (Reuters)

Widespread flooding has **killed more than 500 people in Nigeria**, left around 90,000 homes under water and blocked food and fuel supplies. The floods have hit 27 of Nigeria's 36 states and impacted around 1.4 million people, the ministries for humanitarian affairs and for disaster management said in an online posting. (Reuters)

Egypt is pushing to tie up a **crucial financial package** from the IMF at annual meetings in Washington this week, hoping to stem a **currency crisis** that has restricted imports and sparked market unease over foreign debt repayments. (Reuters)

China's Haitian Flavouring & Food suffers the accusation that its products to the Chinese domestic market contain **lower-grade preservatives**. (Reuters)

Hong Kong had approved a version of the BioNTech **COVID-19 vaccine for babies** and children under five years old, part of broader measures to boost vaccination uptake in Hong Kong. (Reuters)

Malaysia's industrial production in August rose 13.6% from a year earlier, beating expectations. (Reuters)

Swiss agrichemicals and seeds group Syngenta confirmed that it was evaluating conditions for a **U.S. dollar bond issue**, the firm's first public bond issuance. The firm launched a 3-1/2-year U.S. dollar bond at U.S. Treasuries plus 125 basis point price guidance. (Reuters)

Freights:

Shipping and commodities firms will commission **more ships** partly **powered by liquefied natural gas (LNG)** next year while ramping up trials for biofuel bunkering as they seek to cut emissions from ship operations. (Reuters)

Tech firm **Honeywell** International Inc will roll out technology that could increase supplies of **lower-carbon aviation fuel** produced from **ethanol**, as the Biden administration calls for the aviation industry to reduce emissions. (Reuters)

Two stretches of the southern **Mississippi River** were **reopened** to commercial traffic over the weekend after dredging operations deepened the shipping channel near Memphis, Tennessee, and near Stack Island, Mississippi. (Reuters)

Staff shortages caused by an ongoing strike over wages are impacting container and car terminals at **South Africa's Durban port**, one of the busiest on the continent. (Reuters)

Panamax Market: In the Atlantic, strong grain volumes offered support but rates softened later in the week on the back of limited mineral cargoes. Meanwhile, an influx of Indonesian coal supported the Pacific early in the week, but enquiry was subdued in the later half and owners lowered offers to grain charterer's attention.

Panamax Index – 2,081 (down 6.89 % over last week)

Panamax 4 TC – 17,383 (down 7.39 % over last week)

Panamax 5 TC – 18,729 (down 6.90 % over last week)

P2A (Continent/Far East) – 27,118 (down 10.15 % over last week)

P6A (Singapore/ECSA RV) – 18,986 (down 8.86 % over last week)

Supramax Market: In Continent the market remained largely flat. There is a balance between new cargoes coming out and the offer of vessels in the area. The USEC has remained firm throughout with cargoes and vessel almost equalling 1:1. North Brazil continues to suck tonnage out of NCSA where there has been limited demand. Owners have continued to try and take cover booking in cargoes from Q1 and take period cover as the market pushed strongly towards the back end of last week.

BSI 10TC – 18,588 (down 0.93 % over last week)

S1B (Canakkale via Med-Bsea/China-S.Korea) – 24,500 (up 11.13 % over last week)

S4B (Skaw-Passero/USG) – 17,446 (down 1.83 % over last week)

Handy Market: In the Pacific, last week's wide bid-offer spread narrowed as mounting tonnage forced owners to lower their offer against limited orders. The USG was quite due to disruption on the Mississippi, but tight tonnage in Med, NCSA and USEC supported rates in the Atlantic.

BHSI 7 TC – 18,209 (down 2.04 % over last week)

HS1 (Cont med-ECSA) – 15,107 (up 6.01 % over last week)

HS3 (ECSA/Cont-Med) – 28,506 (down 3.73 % over last week)

Tenders:

Iraq tenders for feed wheat:

- 50,000 mt, cancelled

Philippines tenders for feed wheat,

- 165,000 mt

Japan tenders for feed wheat:

- 70,000 mt

Japan tenders for barley:

- 40,000 mt

Jordan tenders for feed barley:

- 120,000 mt

Taiwan's MFIG tenders for corn:

- 65,000 mt, shipment Dec

Tunisia tenders for soyoil or rapeseed oil:

- 9,000 mt, shipment Nov – Dec

Algeria tenders for milling wheat:

- 50,000 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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