

# UNI MERCHANTS

CONNECTING MARKETS

## WEEKLY MARKET BRIEFING



|                |                          |   |
|----------------|--------------------------|---|
| FEED-<br>WHEAT | Crop 20<br>CPT/FOT<br>DK | The FOT/CPT wheat market on old crop is only there to close some of the gaps we have to secure feed to the new harvest. We are trading bits and pieces every day, and it seems to be a hit and run market, where buyers are not constantly there. Last traded is DKK 170 per 100 kg. CPT DK Zone 3 basis July. The German or Dutch markets have not been active since Monday this week with prices getting lower and lower. |
|                | Crop 21<br>CPT DK<br>DE  | New crop feed wheat is at a standstill at the moment. We have had buying interest around DKK 141 per 100 kg. CPT DK Zone 2 basis 1h. January, without having had a firm seller at that level.<br>Yesterday we saw the first signs of an ex crop market at Z1-8 CPT Hamburg feed wheat.<br>Whether yesterday leaps on Matif will make the market become even more difficult is to be found out.                              |
|                | Crop 21<br>FOB           | FOB wheat for new crop has estimated to be Z1-19 FOB DK basis September, nevertheless no trading activity has been able to prove an actual trading level. Today will show if -19 is still the buyer's target, and if the leap from yesterday will tempt sellers. Still too early to say if the cash side is changing.   |
| FEED<br>BARLEY | Crop 20<br>CPT DK        | As previously written, the market has turned from a seller's market and into a buyer's market, which is highly true speaking of barley. A couple of weeks ago it was very difficult to find barley and we had lots of buying interest. Now we have a decent number of sellers and only a few buyers – it seems like people are getting more and more covered. Last traded DKK 177 CPT DK Zone 3 basis July.                 |
|                | Crop 21<br>CPT DK        | We have the past week had firm buying interest for new crop feed barley at Z1-21 CPT DK Zone 2 basis 1h September. The last couple of days where Matif Dec. has been trading around EUR 203-204 we have been able to pay EUR 182-183. Whether the -21 will still be valid, is to be proved after the opening of Matif.  |

### At a glance...

The market has the past week generally turned from a sellers' market and into a buyers' market.

Yesterday evening USDA published their quarterly Grain Stocks report, which shows a significant lower stock volume than last year's figures, and slightly lower than what the market estimated. The prospective Planting report was meanwhile also published yesterday and estimated an intended planting acreage below the previous prospects.

The bullish reports forced CBOT and Matif up. Matif trading about 3% up during the last 10 mins. before the close from yesterday. Will most probably start negative from this morning.

|                |                   |   |
|----------------|-------------------|---|
| FEED OATS      | Crop 20<br>CPT DK | We see sellers of feed oats around EUR 183/184 CPT DK zone 2 basis 1h July. Pleased to hear if any interest.  |
| CORN           | Crop 20           | Corn out of Poland has been offered at EUR 238/239 FOB PL on July, but we have had no buying interest. If any buying interest please let us know – we have some ideas.  |
|                | Crop 21           | New crop corn has been indicated around EUR 200 FOB Baltic basis November, and it is not out of the question to find buyers at this level. They are just being a bit reluctant due to comparison between the prices for corn and wheat. Sellers are checking if EUR 200 FOB Baltic is still doable.   |
| MALTING BARLEY | Crop 21           | Malting barley is the dark horse in this report. Prices are difficult to estimate, even for a broker, when the market is doing nothing. Prior the change yesterday we have seen prices like EUR 210 against EUR 212/213 FOB DK basis 1h October option March. We expect the prices to rise a few euros nominally during the day, but without trade it might be an unchanged cash market we have.<br>Market is telling that there was firm buying interest yesterday at EUR 212 FOB DK/SE basis 1h January option June 22. |
|                | Crop 22           | No action at all for the moment, but like the past weeks we nominally see the levels around 6-7 euros lower than crop 21.   |
| ORGAN-ICS      | Crop 21           | Some old crop feed wheat has been traded CIFFO ARAG to cover the gaps before new crop arrives. The spread between old and new crop is in organic also quite significant which is not encouraging the market to much activity.   |
| BLACK SEA      | Crop 21           | Turkey bought about 400 thousand tons of wheat at a tender at relatively low prices. However, the USDA quarterly stock report is more bullish. Chicago has responded accordingly. This will make sellers think before offering wheat at low prices.   |

