

# Fryer's EU - Black Sea Report

WHEAT											
Futures	Matif (€)			CBOT (€)		Liffe (£)		Freight (Handies)			
	Sep	Dec	Mar	Sep	Dec	Nov	May 19		Rouen	B.Sea	
Previous	176.25	180.25	184.00	205.75	216.25	159.00	165.55	Egypt	20.00	17.00	
Close Jun 25	174.00	177.75	181.50	203.00	214.00	158.85	165.40	Algeria	20.00	21.00	
Change	-2.25	-2.50	-2.50	-2.75	-2.25	-0.15	-0.15	Morocco	18.00	22.00	
Fob 25kt	France	German	Baltic	Costanza	Fob 25kt	UK	France	German	Baltic		
€uro	11.5 pro	12.5 pro	12.5 pro	12.5 pro	US\$	76/220/11	11.5 pro	12.5 pro	12.5 pro		
Aug	174.57	181.75	180.25	170.87	Aug	222.68	204.33	212.74	210.98		
Sep	177.00	182.75	181.25	174.28	Sep	224.52	207.44	214.18	212.15		
Oct	178.39	184.25	182.75	177.70	Oct	227.02	209.34	216.22	213.91		
Nov	179.82	185.75	184.25	181.12	Nov	228.87	211.29	218.26	215.66		
	Russian 12.5 pro			Costanza		C&F Egypt		Ukraine	UK	EU B. Sea	
	Azov	Marmara	Big Port	12.5 pro	11.5 pro	12.5 pro		Aug	188.00	213.41	189.62
Aug	172.00	197.00	199.00	200.00	193.00	216.00		Sep	192.00	215.22	193.62
Sep	176.00	201.00	203.00	204.00	197.00	220.00		Oct	196.00	217.70	197.62
Oct	180.00	205.00	207.00	208.00	201.00	224.00		Nov	200.00	220.19	201.62
Nov	184.00	209.00	211.00	212.00	205.00	228.00					

Matif fell on renewed US weakness, the €uro firmed, cash premiums were unchanged with farmer selling still nil but export demand also uninspiring. At the European close there had been no reported trade on the CME Black Sea futures, whilst the Black Sea cash market was again ill-defined with bid-offer spreads still too wide to trade. Call Aug Russian 12.5 pro \$196-200 plus \$4 per month on the bid side and nothing on the sell side beyond August, which considerably narrowed the spreads against the US. The 11.5 pro Fob values remained around \$6 discount, compared to Egyptian C&F bids at \$213, whilst the Ukraine feed market was a further \$5 less against the Philippines purchase Friday of 220kt at \$223-227, with ongoing interest both there and into Indonesia. GASC is also back tomorrow for 11-20 Aug following another 10-20¢ slump in the US. Yields on the very early Russian harvest are put at around 3% below last year, the Black Sea forecast again has increased rains in the west, (see page 2) but it's now too late to change the wheat crop. Algeria's Jan-May import costs rose 13% year-on-year (the French/Black Sea 11.5 pro spread is around 8%), Iraq tenders July 2nd for 50kt US/Can/Aussie.

## BARLEY 50k

	France (€)	Germ/Balt (€)	UK (€) 25kt	France (\$)	Germ/Balt (\$) 25kt	UK (\$) 25kt	B. Sea	C&F Saudi	BB/Neco	WA	
Aug	167.25	173.75	165.33	195.77	203.37	193.52	185-190	220-225	190-200	245-250	
Sep	167.25	174.75	167.60	196.02	204.81	196.62	-	220-225	-	-	
Oct	169.39	176.25	169.86	198.78	206.83	199.73	-	-	-	-	
Nov	170.57	177.75	172.13	200.42	208.86	202.84	-	-	-	-	
							N. EU	B. Sea	Argie	Aussie	
							Fret Jeddah	28	24	35	25

French barley premiums fell to start the week, despite the announcement of the arrival of the first vessel to load barley for China on the Atlantic coast. The early harvest results are termed "OK", French ratings were little changed (see page 2) whilst yields on early Russian barley harvest are about in line with last year. Black Sea values were again hard to pin down with Aug offers anything from \$187 to \$192 depending on the source, but with nothing for sale beyond that.

Futures	Matif (€)		Fob	CORN					Ukraine \$	France (\$)
	Aug	Nov		Poland €	Fr Bay €	Rhine €	Danube €	Costanza €		
Previous	164.75	169.50	JAS	n/a	167.00	168.00	n/a	n/a	n/a	195.47
Close Jun 25	163.50	168.25	ON	n/a	170.00	171.00	n/a	n/a	182.87	199.24
Change	-1.25	-1.25	JFM	n/a	175.00	172.00	n/a	163.53	188.42	205.36

Matif corn ended lower on the CBOT declines, Fob offers followed but there was again just no interest from cash buyers. French plantings were put at 98% complete, and surprisingly unchanged on the week (see page 2), with the weather updates showing a generally dry pattern for western Europe but a very wet picture in the Balkans. In the Black Sea, the forecast calls for widespread rains in W Ukraine and N Russia, but these are not major corn producing regions, and the rest of the Black Sea remains hot and dry (see page 2). The Black sea old crop market was nominally put at \$182-186, whilst new crop Ukraine premiums remained at +80/85 Z/H. In the US, the trade imbroglio seemed to go from bad to worse, whilst Brazil remained totally dry with ongoing chaos on interior truck/freight rates.

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## World Wheat Fob Comparisons (from highest to lowest basis the nearby)

Origin	HRW*	HRW*	German	Baltic	SRW*	French	Russian	Russian
% Protein*	11/12.5	Ords	12.5	12.5	9.5	11.5	12.5	11.5
Aug	226.9	221.4	212.7	211.0	206.0	204.3	199.0	193.0
Sep	228.7	223.2	214.2	212.2	207.8	207.4	203.0	197.0
Oct	230.1	224.6	216.2	213.9	207.1	209.3	207.0	201.0

Origin	APW WA	HRS 13.5 PNW	CWRS 13.5 VCVR	CWRS 13 VCVR	HRW* 11.5/13
Aug	255-260	254.0	246.7	235.6	230.6
Sep	255-260	255.0	248.8	237.7	232.4
Oct		256.0	250.6	239.6	233.8

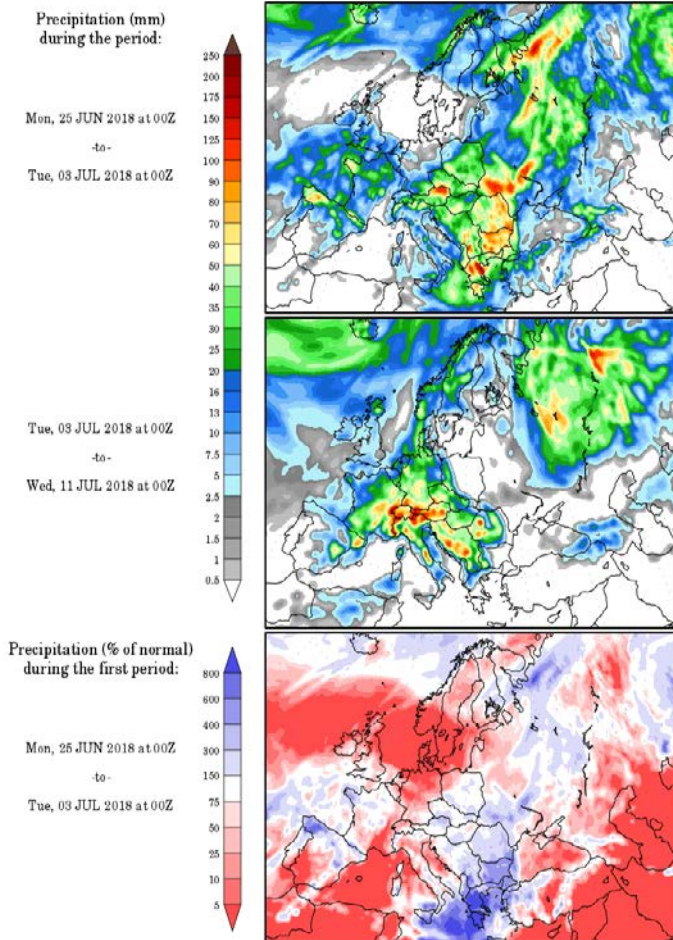
Exchange	\$	Change	€	Change
€	1.1705	0.0050	1	0
£	1.3255	0.0000	1.1324	-0.0049
Rub	62.810	-0.1900	73.519	0.0926
UAH	26.165	-0.0700	30.6261	0.0492
Turk Lr	4.6925	0.0155	5.4926	0.0415
Egypt £	17.9000	0.0300	20.9520	0.1245

\*US protein is basis 12% moisture. Thus HRW 10.5 pro equates to 12% EU/Russian; 11 pro HRW equates to 12.5% EU/Russian. SRW 10 pro equates to 11.4%

## French Crop Progress

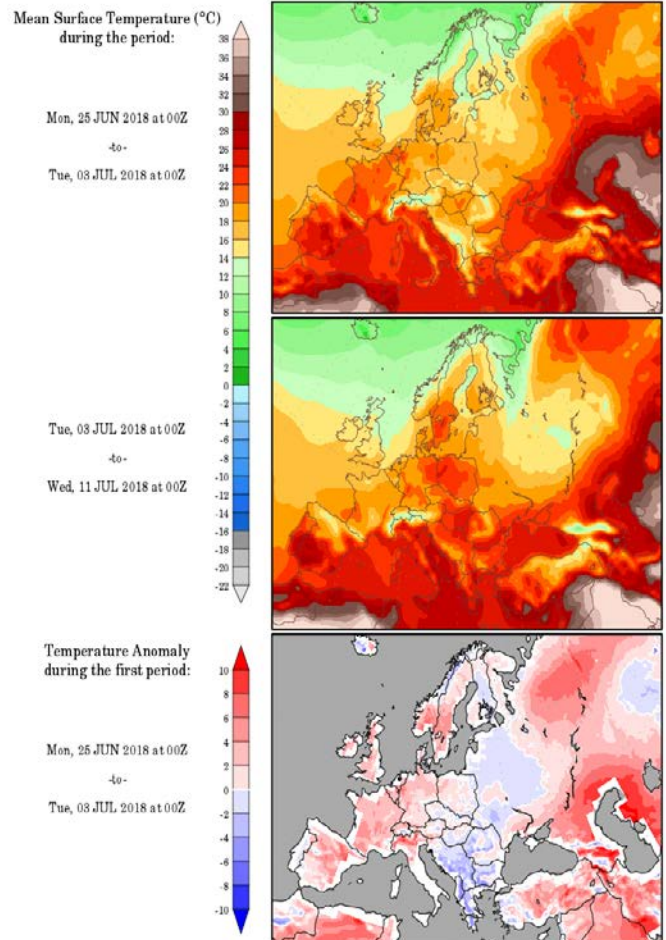
	Wheat			Corn			Barley	
	June 18	Last week		June 18	Last week		June 18	Last week
Soft Wheat GD/EX	75	76	Plantings	98	98	Winter Barley GD/EX	73	74
Durum GD/EX	68	72	GD/EX	72	74	Spring Barley GD/EX	77	77

### Precipitation Forecasts



Precipitation forecasts from the National Centers for Environmental Prediction. Normal rainfall derived from Xie-Arkin (CMAF) Monthly Climatology for 1979-2003.

### Temperature Forecasts



Temperature forecasts from the National Centers for Environmental Prediction. Normal Temperature derived from 1979 monthly climatology for 1979-2003.