

# Fryer's EU - Black Sea Report

WHEAT										
Futures	Matif (€)			CBOT (€)		Liffe (£)		Freight (Handies)		
	Sep	Dec	Mar	Sep	Dec	Nov	May		Rouen	B.Sea
Previous	154.50	159.75	164.50	151.00	158.25	138.75	145.25	Egypt	22.00	18.00
Close Aug 31	155.75	161.50	166.75	154.00	160.50	140.75	147.05	Algeria	19.00	20.00
Change	1.25	1.75	2.25	3.00	2.25	2.00	1.80	Morocco	17.00	22.00
Fob 25kt	France	German	Baltic	Costanza	Fob 25kt	UK	France	German	Baltic	Costanza
€uro	11.5 pro	12.5 pro	12.5 pro	12 pro	US\$	76/220/11	11.5 pro	12.5 pro	12.5 pro	12 pro
Sep	159.71	166.50	161.50	153.20	Sep	199.87	189.74	197.80	191.86	182.00
Oct	161.14	168.00	163.50	154.04	Oct	200.69	191.43	199.58	194.24	183.00
Nov	162.57	169.50	165.50	155.30	Nov	201.51	193.13	201.37	196.61	184.50
Dec	164.00	171.00	167.50	n/a	Dec	202.32	194.83	203.15	198.99	186.00
*basisJuly	Russian 12.5 pro			Rus/Ukr 25kt		C&F Egypt		Feed 25kt US\$		
	Azov	Marmara	Big Port	12.5 pro	11.5 pro	12.5 pro		Ukraine	UK	EU B. Sea
Sep	150.00	182.00	181.00	181.00	170.00	199.00	Sep	162.00	186.98	179.98
Oct	151.00	183.00	182.00	182.00	171.00	200.00	Oct	163.50	187.83	191.98
Nov	152.50	184.50	183.50	183.50	172.50	201.50	Nov	165.00	188.67	203.98

The €uro dipped below 1.19 which along with the bounce in the US helped Matif to a €1-2 higher close, but Brussels weekly update showed EU shipments still running 52% below a year ago, with the USDA's projected 13% annual increase looking an increasingly forlorn hope (Brussels and EU weekly port data is on page 2). The EU export number should jump next week notably on Lithuanian shipments to Saudi, but over 220kt will be needed just to maintain the current gap. Germany has shipped just 470kt wheat outside the EU so far this season, and the large majority of that was done in July with old crop stocks. Tunisia bought 2x25kt Nov at \$193.50 which looked like around \$1 below Black Sea 11.5 pro replacement, and overall the Black Sea market was little changed. Today's big number came from Canada where Stats Canada put the durum crop at just 3.9 Mmt against 7.8 Mmt last year. Stock up on pasta! The higher board and Gulf premiums have taken a bite out of US competitiveness (see page 2).

BARLEY							C&F Saudi	Freight Jeddah	
Fob (4kt)	Germ/Balt (€)	UK (€)	Fob 50kt	France (€)	Germ/Balt (€)	UK (€) 25kt		N. EU	29
Sep	144.50	142.19		149.96	149.50	148.70	198-203	B. Sea	26
Oct	145.75	143.28		151.89	150.75	149.79	198-203	Argie	32
Nov	147.00	144.36		152.82	152.00	150.88	-	Aussie	24
Fob 50kt	France (\$)	Germ/Balt (\$)	UK (\$)	25kt	B. Sea	Up River	BB/Neco	WA	SA
Sep	178.15	177.61	176.66	175-178	n/a	n/a	180-190	195.00	190.00
Oct	180.45	179.09	177.54	176-179	n/a	n/a	180-190	195.00	190.00
Nov	181.55	180.58	178.41	n/a	n/a	n/a	-	195.00	190.00

Brussels' weekly shipments were just marginally better and the season total of 522kt remains 55% down on last year against USDA's projected 20% increase. We heard no trade in the Black Sea but nearby replacement was put at around \$180, and so having surpassed the 11.5 pro milling value a couple of weeks ago, Black Sea barley is now comparable to the 12.5 pro milling price. Stats Canada put the crop at 7 Mmt (USDA 7.2 Mmt, last year 8.8 Mmt).

CORN									
Futures	Matif (€)		Fob	Poland €	Fr Bay €	Rhine €	Danube €	Costanza €	Ukraine \$
	Nov	Jan							
Previous	158.25	161.00	Sep	n/a	159.00	n/a	n/a	n/a	172.0*
Close Aug 31	159.00	162.25	ON	n/a	156.00	153.00	126.96	143.96	161.02
Change	0.75	1.25	JFM	n/a	165.00	160.00	131.27	148.27	166.14

Matif corn closed higher but in ever declining volumes (less than 800 contracts traded today), with Fob/cash business again zero. EU weekly imports were a solid 350kt, presumably in an attempt to beat the new €10 levy which will likely be in place next week. There were once again no changes in Ukraine/Black Sea premiums despite the rebound in CBOT corn on short covering ahead of the long weekend.

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

Origin	HRW*	UK	German	Baltic	HRW*	SRW*	French	HRW*	Russian
% Protein*	11.5/13	11	12.5	12.5	11/12.5	9.5	11	Ords	12.5
Sep	206.1	199.9	197.8	191.9	191.4	190.3	189.7	185.9	181.0
Oct	206.9	200.7	199.6	194.2	192.2	190.3	191.4	186.7	182.0
Nov	206.9	201.5	201.4	196.6	192.2	191.1	193.1	186.7	183.5

Origin	HRS 13.5 PNW	CWRS 13.5	APW WA
Sep	286.0	259.4	230.0
Oct	289.0	259.4	233.0
Nov	292.0	260.2	236.0

Exchange	\$	Change	€	Change
€	1.1880	-0.0035	1	0
£	1.2895	-0.0025	1.0854	0.0011
Rub	58.055	-0.3350	68.969	-0.6023
UAH	25.670	0.0850	30.4960	0.0114
Turk Lr	3.4590	0.0095	4.1093	-0.0008
Egypt £	17.6400	0.0000	20.9563	-0.0617

\*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%

Brussels All-Grain Shipment Update 2017/18								July 1- Aug 29		
Exports	Soft Wht	Flour	Durum	Semolina	All Wheat	Barley	Malt	Corn	Oats	Total
Last Week	184	17	15	1	217	47	29	3		296
Season	2'402	147	67	21	2'637	522	409	40	65	3'673
Year ago	5'034	180	175	37	5'426	1'171	486	270	19	7'372
Imports	Soft Wht	Flour	Durum	Semolina	All Wheat	Barley	Corn	Rye	Sorghum	Total
Last Week	75	1	15		91	24	348		26	489
Season	392	6	153		551	210	2'381	1	28	3'171
Year ago	509	7	150		666	189	1'542		2	2'399

Brussels Weekly Soft Wheat Shipments to non-EU Destinations through Aug 29										
	Germany	Latvia/Est	Lithuania	Poland	Romania	Bulgaria	France	Others	Last Week	Adjusted
1 Jul-15 Aug	438	65	22	1	459	0	959	82	2'026	2'218
16-22 Aug	34	71	64	2	94	0	102	0	367	175
Total	472	136	86	3	553	0	1'061	82	2'393	2'393

Brussels Weekly Barley Shipments to non-EU Destinations through Aug 29										
	Germany	Denmark	Finland	Sweden	Italy	Romania	France	Others	Last Week	Adjusted
1 Jul-15 Aug	0	10	21	10	24	108	222	10	405	475
16-22 Aug	0	0	0	0	0	87	28	2	117	47
Total	0	10	21	10	24	195	250	12	522	522

## EU Aug 16-22 Shipments By Destination Basis Port Data

	France	Lit-Lat	Germany	Wheat			Total	Barley		France	Total
				Romania	Bulgaria	Romania					
Algeria	174					0			100	100	
Egypt				126	23	149			59	59	
Nigeria						0		15		15	
Sudan				111		111					
Oth. Africa			15			15					
Jordan				53		53					
Saudi	65	65		36		101					
Cuba	25					0					
Other	13			25		25					
<b>Total</b>	<b>103</b>	<b>65</b>	<b>15</b>	<b>351</b>	<b>23</b>	<b>454</b>	<b>Total</b>	<b>15</b>	<b>159</b>	<b>174</b>	
					<b>Brussels</b>	<b>251</b>			<b>Brussels</b>	<b>174</b>	