



Hammersmith Trade Services

A division of Hammersmith Marketing Ltd.

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WEEKLY GRAIN AND PROTEIN REPORT February 01, 2020

Sorry that I am a day late with the report this week – I had to make a quick trip on Saturday that pushed things off by a day.

This week was another down week for soybeans with prices down by about USD 10 m/t. Corn prices were about unchanged on the week while US spring wheat dropped by about USD 4 m/t. Friday seemed to be a down day for most everything as the market tried to deal with the coronavirus situation, UK Brexit, US/China trade and the latest comments from President Trump on US trade.

It is interesting to note that, even with all the downward pressure seen on grain prices, quite a few trade reports were talking bullish on prices as we move through the US winter. They seem to feel that US corn is now the most cost effective, as happens every year about this time, and that the US/China trade agreement will support soybean prices. There is even talk that US wheat may be able to pick off some export business due to high Black Sea wheat prices. There is also the story that Argentina is running out of wheat and may have to import – seems they oversold.

The situation with the Chinese coronavirus seems to be affecting most everything this week but the panic effect could very well be overdone as a virus wouldn't seem to have too much to do with bread or animal feed consumption levels – sick people still have to eat. This week may just have been a "virus panic" week – we will see what happens next week.

Estimated Bulk Grain Freight in USD per m/t, basis heavy grains

US Gulf to Europe: 60/70,000 (10,000 disch)	\$16/17.00		X
US Gulf to Spain: 50,000 m/t (5,000 disch)	\$16/17.00		X
US Gulf Israel: 50,000 m/t	\$28/29.00		X
US Gulf to Egypt: Panamax (6,000 disch)	\$27/28.00		X
US Gulf Turkey: 50,000 m/t	\$29/30.00		X
US Gulf Morocco: 30,000(5,000 disch)	\$35/36.00		X
US Gulf Algeria/Tunisia: 30,000 (3,000 disch)	\$34/35.00		X
US Gulf Nigeria: 30,000 m/t	\$57/58.00		X
US Gulf other Med: 30,000 MT(5,000 disch)	\$41/42.00		X
US Gulf South Africa: 45,000 m/t	\$46/47.00		X
US Gulf Japan: Panamax	\$45/46.00	Down \$1.00	X
US Gulf China: Panamax	\$44/45.00	Down \$1.00	X
US PNW South Africa – 40,000 m/t	\$37/38.00	Down \$1.00	X
US PNW Japan: Panamax	\$24/25.00	Down \$1.00	X
US PNW China: Panamax	\$23/24.00	Down \$1.00	X
US East Coast Egypt: Panamax	\$56/57.00		X
US East Coast Nigeria: Handisize	\$56/57.00		X
France/Germany to Algeria: 30,000 m/t(3,000 disch)	\$19/20.00		X
France/Germany to Bangladesh: 35/45,000 m/t	\$41/42.00		X



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France/Germany to China: 50,000 m/t	\$37/38.00		X
France/Germany to Egypt: 50,000 m/t (10,000 disch)	\$18/19.00		X
France/Germany to India: 50,000 m/t	\$30/31.00		X
France/Germany to Jordan: 35/45,000 m/t (4k disch)	\$22/23.00		X
France/Germany to Morocco: 30,000 m/t (3k disch)	\$17/18.00		X
France/Germany to Saudi Arabia: 50/60,000	\$32/33.00		X
France/Germany to South Africa: 30,000 m/t	\$44/45.00		X
France/Germany to Turkey: 35,000 m/t	\$19/20.00		X
France/Germany to Yemen: 30,000 m/t	\$52/53.00		X
Argentina to Algeria: 25/30,000 m/t(3,000 disch)	\$33/34.00		X
Argentina to China: 50,000 m/t, with top-off	\$36/37.00		X
Argentina to Japan: 50,000 m/t, with top-off	\$35/36.00		X
Argentina to Egypt: 50,000 m/t	\$28/29.00		X
Argentina to Europe: 50/60,000 m/t	\$28/29.00		X
Argentina to Morocco: 25/30,000 m/t(3,000 disch)	\$27/28.00		X
Argentina to Jordan: 50,000 m/t	\$45/46.00		X
Argentina to Saudi Arabia: 50,000 m/t	\$44/45.00		X
Argentina to South Africa 50,000 m/t	\$44/45.00		X
Argentina to Spain: 50,000 m/t	\$28/29.00		X
Argentina to Tunisia: 25/30,000 m/t (3,000 disch)	\$33/34.00		X
Argentina to US Gulf: 25/35,000 m/t	\$20/21.00		X
Brazil to Algeria/Tunisia: 25/30,000 m/t	\$47/48.00	Up \$1.00	X
Brazil to China: 55,000 m/t	\$33/34.00	Down \$1.00	X
Brazil to Japan: 55,000 m/t	\$33/34.00	Down \$1.00	X
Brazil to Europe: 50,000 m/t	\$31/32.00		X
Brazil to Morocco: 25/30,000 m/t	\$42/43.00	Up \$1.00	X
Brazil to Saudi Arabia 30/40,000 m/t	\$47/48.00		X
Brazil to Spain: 50,000 m/t	\$31/32.00		X
Brazil to Turkey/Egypt: 50,000 m/t	\$34/35.00	Up \$1.00	X
Australia to China: 40-55,000 m/t – round trip	\$20/20.50		X
Australia to Japan: 40-55,000 m/t – round trip	\$21/21.50		X
Australia to Saudi Arabia: 40-55,000 m/t	\$35/36.00		X
Ukraine to China: 50,000 m/t	\$36/37.00		X
Black Sea to East Med: 30,000 m/t (3,000 disch)	\$18/19.00		X
Ukraine to East Med: coaster (1,000 disch)	\$25/26.00		X
Russia to Turkey - Izmir: coaster (1,000 disch) -	\$20/21.00	Down \$3.00	X
Black Sea to Egypt: 40/50,000 m/t – (6,000 disch)	\$16/17.00	Up \$1.00	X
Black Sea to Egypt: 30,000 m/t – (4,000 dich)	\$18/19.00	Up \$1.00	X
Ukraine to Egypt: coaster 3,000 m/t (1,000 disch)	\$25/26.00	Down \$2.00	x
Russia to Egypt: coaster 3,000 m/t (1,000 disch)	\$34/35.00	Down \$3.00	X
Black Sea to Iraq: 50,000 m/t (4,000 disch)	\$36/37.00	Up 1.00	X
Black Sea to Europe: 50,000 m/t	\$23/24.00	Down \$1.00	X
Black Sea to Morocco: 30,000 m/t (3,000 disch)	\$20/21.00		X
Black Sea to Spain: 40/50,000 m/t (8,000 disch)	\$23/24.00	Down \$1.00	X
Black Sea to Jordan: 50,000 m/t (5,000 disch)	\$25/26.00	Up \$1.00	X
Black Sea to Libya: 25/35,000 m/t	\$24/25.00		X
Black Sea to Saudi Arabia – Jeddah – 50k	\$33/34.00	Up \$2.00	X
Black Sea to South Africa – 30,000 m/t	\$44/45.00		X
Black Sea to Turkey – 30,000 m/t	\$18/19.00	Up \$1.00	X



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Black Sea to Tunisia/Algeria: 30,000(5,000 disch)	\$23/24.00	Up \$2.00	x
Baltic Dry Index – 40% Cape, 30% Panamax, 30% Supramax – no Handisize included)	487	Down 70	X
Baltic Capesize Index (100,000 plus DWT)	-20	Down 185	X
Baltic Panamax Index (60,000 to 80,000 DWT)	574	Down 296	X
Baltic Supramax Index (50,000 to 60,000 DWT)	524	Down 19	x
Baltic Handisize Index (25,000 plus DWT)	332	Down 28	x

It is quite amazing to see a Baltic Index in a minus level – make you wonder what value the indexes actually are. One thing that is not seen from looking at the indexes is that freight rates in the Pacific have dropped considerably, due mainly to China, but rates in the Atlantic are still quite firm. There is good grain volume to be done cross the Atlantic and this is keeping grain rates from dropping like the rates for coal and ore shipment to Asia.

FOB port or location specified. Prices in US\$, in metric tons:
All shipments in bulk grain vessels unless stated otherwise
(NOLA is New Orleans, Louisiana, USA.)

ALL PRICES ARE FOR March 2020/May 2020

Wheat, USA Soft Red Winter, US Gulf	USD 262/266	X
Wheat, USA Hard Red Winter 11 protein, US Gulf	USD 230/233	X
Wheat, Ukraine 11.5 pro, 30,000+ m/t	USD 225/227	X
Wheat, Russia 12.5 pro, 30,000+ m/t	USD 229/231	X
Wheat, Romania 12.5 pro	USD 227/229	X
Wheat, Superior, France, Rouen	USD 217/219	X
Wheat, milling, 12.0%, Argentina, Upriver	USD 230/233	X
Wheat, feed, Black Sea	USD 221/224	X
Barley, France, Rouen port	USD 191/193	X
Barley, feed, Argentina, up river	USD 194/197	X
Barley, feed, Black Sea, 30,000+	USD 194/197	X
Corn, 2YC FOB NOLA USA	USD 178/181	X
Corn, 3YC FOB USA Pacific northwest	USD 197/200	X
Corn, FOB Argentina port, upriver	USD 178/181	X
Corn, FOB Brazil port	USD 178/181	X
Corn, FOB France – Atlantic	USD 192/195	X
Corn, FOB Romania	USD 184/187	X
Corn, FOB Russia	USD 199/202	X
Corn, FOB Ukraine, 30,000+ m/t	USD 185/188	X
Sorghum, FOB Argentina port	USD 148/151	X
Sorghum, FOB Texas	USD 181/184	X
Soymeal, 48% protein, FOB NOLA	USD 343/346	X
Soymeal, 48% protein, USA, Rotterdam	USD 368/371	X
Soymeal, Argentina, Rotterdam	USD 361/364	X
Soymeal, 47% pro, FOB Argentina	USD 333/336	X



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Soymeal, 48% protein, Brazil, Rotterdam	USD 360/363	X
Soymeal, 48% protein, FOB Brazil	USD 316/319	X
Soybeans, FOB NOLA	USD 343/346	X
Soybeans, Argentina, FOB	USD 343/346	X
Soybeans, Brazil, FOB	USD 340/343	X
Soybeans, Black Sea	USD 384/387	x
Corn Gluten Meal, USA FOB NOLA	USD 545/550 m/t	X
Corn Gluten Feed, USA FOB NOLA	USD 212/215 m/t	X
DDGS corn, 35 profat, USA FOB NOLA	USD 209/212 m/t	x

DDGS prices moved lower this week following corn and soymeal sliding lower. The logistics in the US seem to have improved so there seems to be little problem getting corn byproducts to export ports.

No one at all is saying that prices will be moving higher for export --- there are a number of unknowns in the export business this week so most people feel that we will see prices as steady to lower. There doesn't seem to be any good reason to expect a prices rally.

Container shipments, minimum 200 m/t

Australian MBM 45% protein	USD 340/350 m/t CNF Asia
Australian MBM 50% protein	USD 370/380 m/t CNF Asia
Australian Feathermeal, 80% protein	USD 410/420 m/t CNF Asia
Australian Poultry Meal, pet food	USD 630/640 m/t CNF Asia
USA Meat & Bone meal, 50% protein	USD 440/460 m/t CNF Asia
	USD 380/400 to Indonesia
USA Feathermeal, 80% protein	USD 400/420 m/t CNF Asia
USA Poultry by-product Meal, feed grade	USD 380/400 m/t CNF Asia
USA Poultry Meal, pet food grade	USD 650/670 m/t CNF Asia

With both the Chinese New Year and Coronavirus in Asia there is a low level of selling activity this week. Prices for most animal protein items didn't change at all this week – of course with no buyers there is not much pushing the market. About the only increase in prices was for pet food grade poultry meal where demand has started to move higher. There is also the expectation that feed grade poultry meal prices will also move higher. Perhaps this is all due to the current shortage in world fishmeal supply.

Most trading comments seem to be calling for steady prices but if coronavirus cuts off export business then prices should slip lower.

SECTION 2 --- FISHMEAL COMMENTS AND PRICES: PERUVIAN

All is quiet in Peru but, as with other markets, the spread of corona virus in China is making the market somewhat nervous. The extended Chinese holiday also adds to market worries. With China being the main consumer of fishmeal in the world, anything that affects China makes fishmeal people worry.

Trade estimates in Peru are that about 125,000 m/t of business has been rolled to the next fishing season.

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The odd lot of fishmeal that comes to market in Peru is said to be selling at “crazy” prices – not too surprising when there is little to sell.

Peru’s Imarpe is being restructured so that it can become much more of a true scientific organization that employs staff and management with the “highest scientific qualifications”. It is hoped that in the future Imarpe will be less politically motivated/directed in its actions.

Sorry that there is not much to say this week but there is nothing to sell and no buyers to be seen.

PERU “INDICATION” FISHMEAL PRICES:

European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,625
Danish fishmeal	64% protein	1,365
Peru fishmeal	64% protein	1,550
Chile fishmeal	67% protein	1,600
Iceland fishmeal	70% protein	1,590

ALL PRICES SHOWN ARE IN CONTAINER, ON VESSEL, AT ORIGIN --- US DOLLARS
Minimum shipment of 200 m/t for fishmeal

Specification	Price per m/t FOB vessel Peru port	Price per m/t Chile port
65/66 protein	1350/1370 m/t	
67% protein standard steam	1450/1460 m/t	
67% protein 150 TVN	1500/1510 m/t	1500/1530 m/t
67% protein 120 TVN	1550/1560 m/t	1550/1560 m/t
67% protein 1000 hist, 120 TVN	1600/1610 m/t	1600/1650 m/t
68% protein 500 hist, 120 TVN	1700/1720 m/t	1700/1750 m/t
Fish oil, crude bulk	2300/2350	
Fish oil, crude drums	2350/2400	
Fish oil, flexi tank	2450/2500	
Fish oil, Omega 3: 28%EPA/DHA	No prices	

INFORMATION: gtee = guarantee, TVN = total volatile nitrogen, hist = histamine

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