

We wish you all a Happy Christmas and New Year

Thank you all for your support in 2017 and we look forward to working with you in 2018.



Currency update:

Brexit dominates the €/£ situation and will continue to do so for sure. Each currency fluctuates on specifics, whether it is a relatively well received UK budget, or pressure for a more defined plan for EU quantitative easing, on political uncertainty in Germany. We would fully expect the currency to continue in current range through December.

The US\$ relationship is also remarkably stable at present, the change of leadership at the Federal reserve, has not changed the policy, with a general but cautionary rise in interest rates expected provided the economy continues to prosper, but at the first signs of economic weakening, further QE and a halt to any further interest rate rises will be implemented.

FX Monthly movement

- US\$/ £ 1.34 from 1.31
- US\$/ €1.18 from 1.17
- £/€ 1.13 unchanged

General news

It has been a period interrupted by seasonal holidays around the globe, and now in EU we focus on Christmas and the boost to demand the period provides. We are seeing a gradual increase in demand for the more unusual grains and seeds we carry, which is encouraging, whilst mainstream volumes are holding up well. Shipment delays are a current hazard from many regions caused by a variety of reasons; from delayed plant upgrades, to poor quality raw material due to end of season stocks and strong demand putting pressure on processing facilities.

Pumpkinseed kernels:

The market is drifting down, causing further strain on processors at present due to the continued sluggish demand from the EU for pumpkin. We believe this situation is now very short lived with EU demand likely to pick up for February delivery, so we can expect prices to firm again very soon. Processing facility upgrades have also been delayed, and the Chinese governments sudden tightening of factory emission regulations has impacted demand. There are bargains to be had on pumpkin, but not for long we feel.

Linseed:

Market is quite stable, some quality issues are around from certain origins, but broadly linseed has little news this month.

Sesame seed:

The market in India has jumped recently driven by a sudden slowdown in seed coming to market coinciding with an increase in local demand. This has been driven further by traders and processors, whilst logistical issues in Africa and financing issues have added further fuel to the fire. Overall production and consumption global has been increasing year on year for sesame, and this year we see no overall shortfall in supply. With a good crop on natural in Africa and adequate seed in India.

In Central America we are expecting crops to be similar to 2016 in quantity. The harvest has started in some regions and prices will be forth coming in a few days

Hulled millet:

The market has stabilised at these higher levels now, and some increase in the quota should permit the full impact of increased levels to be avoided. The weather is closing in however, and this always disrupts the supply chain from Ukraine and Poland.

Sunflower:

The prices started to edge upwards, but pressure amongst hullers stopped the movement, at least temporarily. The over capacity of hulling in Bulgaria, is the main drag on prices. Otherwise market news is generally bullish, with reduced harvest in Ukraine, delayed plantings in Argentina and anticipated poor harvest figures from Russia.

Poppy seed:

We feel the current crop shortage is well publicized now, and prices have stabilized, at least temporarily, at the higher levels. There are a few bargains around where stock holders are selling off their inventory. On the whole origin supplies, with the exception of the Czech Republic, are fully committed now until Northern Hemisphere harvests in the summer of 2018. Broadly we see these as being smaller than 2017, with a question mark over how the Czech's will respond to the tightness of supply, but it seems unlikely that poppy will be plentiful for some years. The morphine poppy sector, is challenged with over supply of raw material and major dependency issues on 'over the counter' medicine in the USA, which is squashing demand, and this availability of the by product.

Chia:

The situation remains, material to pass EU regulations is hard to find, and sells at a significant premium. Some importers turn a blind eye to these regulations, and sell the glyphosate material, but we do not see ignorance or turning a blind eye to be adequate defence to this practice.

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