

## Currency update:

Sterling re-established itself at levels against the US Dollar that were last seen prior to the result of the UK General Election a month ago, touching 1.30 briefly at the close of June. The reason for the about turn on Sterling were the comments made by the Bank of England Governor Mark Carney who, from a week earlier had said that an interest rate hike was unlikely which had led to a selloff in the pound, to hawkish comments that the Bank would start to reduce Quantitative Easing and that they would need to manage inflation = interest rate increase?

Sterling had also been under pressure from Brexit prior to the 'official' talks starting in June but the apparent consensus that it will be a 'soft' Brexit limited the downside on the Pound.

Looking forward, Sterling will still be sensitive to Brexit discussions and resulting comments but with the topic of interest rate rises strong on the agenda, it should find some support going forward.

Despite the possibility of two further interest rate rises by the Fed in the second half of his year, current US economic data continues to be a mixed bag which could mean that further rate rises may damage future growth prospects. Donald Trump is still struggling to implement any of the fiscal plans he promised in his Presidential campaign so the USD may now struggle to any significant gains.

The Euro did strengthen during June based on comments from ECB saying they would look to end QE, that inflationary pressures were increasing and the Greek bailout had all been patched up. The markets saw this as a positive move for the Euro, to the point that their comments had pushed the Euro to high which they then had to correct, saying that they had been misinterpreted by the markets. This softer tone by Europe coincided with the comments from the Bank of England which were sterling positive which combined, led to US Dollar weakness against both currencies.

China posted a surge in exports (+8.7% yr on yr) and imports (14.8% yr on yr) in May which signals an improvement in the world's second biggest economy but despite this, comments from Beijing suggest this is growth is unlikely to continue.

## FX Monthly movement

– US\$/£ 1.29	No change
– US\$/€1.13	changed from 1.02
– £/€ 1.13	changed from 1.15

## General news



*Markets are starting to move to reflect the new crop sentiments. The Sunflower continues to be very competitively priced whilst the Pumpkin low levels are gone and producers rush in to increase the prices needed to make investments in their plants possible and cover losses from the previous season.*

*The other seeds currently have relatively stable pricing until more decisive action from buyers and sellers alike take place. Holidays are nearly upon us, so little action is expected over the next couple of months.*

## Pumpkinseed kernels:

Rumour persists that plantings are heavily reduced, some say by 50 % on both Grown Without Shell and Shineskin varieties, and we are seeing prices continue to rise in anticipation of these lower yields for 2017 by at least 20 %. Of course, it is early days and there are no supporting statistics at present, but the farmers and processors are looking at any excuse to raise the price levels as the last season has been a disaster with them not being able to meet their costs and getting offers on a forward basis for new crop shipping positions is challenging now.

## Linseed:

Prices continue to be at the same level at the moment but with the lack of interest in growing the product due to the lack of return, Supplies continue to come from the Kazakhstan/Russian areas as well as some now from Poland and Scandinavia. The main influencing factor at present is the euro/stg exchange rate for our UK buyers.

### Sesame seed:

Our Indian office states that Indian Sesame seed price variation in January, February & March has been mainly due to exchange fluctuation & financial Year end pressure. April prices were back to Normal level as there was no market pressure and it continued into May 2017. We were expecting price increases due to Government notification to allow sesame seed oil export in bulk, but this has not yet happened.

African sesame seed prices have been stable since January 2017 and dropped slightly in May 2017 as China has estimated stocks of 150,000 tons at the Port which is one of the main reasons why Indian sesame seed prices have been under pressure.

There has been an overall drop of 5.17% (15,260 tons) in export of Sesame seed from India compared to last year for the same period April to February.

Additionally, India is implementing major change in tax structure where by processors are buying and maintaining stocks based on their current requirement.

Exporters who have imported Sudanese Sesame seed need to re - export by end of June/July.

Black Sesame Seed crop estimation for 2017 is 13000 to 15000 tons.

This is the first time Sesame seed harvested in summer in the state of M. P, but the crop estimation data is not yet available, but the whiteness is as good as Gujarat and there are daily arrivals of 40 to 50 tons in to the market yards.

Indian sesame seed prices are expected to remain stable due to above reasons and processors have not yet made up their mind for Forward contracts due to Major economic reformation in India

Central American Sesame seed is pretty much sold out for this crop year as well as good allocation of their crop against new crop sales too, as such prices will certainly not decrease from this region.

### Sunflower kernels:

There is really no change to last month's report, in that competition, out of Bulgaria continues as suppliers fall over themselves with cheaper and cheaper pricing, driven by pressure exerted on the market. The crop is now completely planted and currently is expected to harvest late by about two to three weeks, making arrivals due mid-October. Many of the smaller facilities have stopped processing current crop so the availability of material may feel a squeeze in September/October as we have experienced before. We feel it is a good opportunity to cover forward from the premium processors. It may not be the cheapest offer on the market, but it will maintain the exceptional quality and service. Again, the Euro/stg exchange rate for our UK customers is important in purchasing timing and right now seems to be a good time whilst exporters are still eager to sell and uncertainty of the euro continues.

### Hulled millet:

Hulled Millet continues to be a competitively priced ingredient for the bakery market and even with the slight increase in price it is still one of the lowest priced seeds.

### Poppy seed:

Last month's statement has not changed as gradually every origin declares a reduction in expected yield for the 2017 harvest. Without exception, all sources are down 10-60%. Add to this the discussion over alkaloid content in the seed and prospective guidelines on levels and labelling instructions, the market is set for a significant price increase. It is difficult to buy old crop stocks at present, and new crop is not offered. For some readers' memories will recollect the dramatic price fluctuations sometimes seen in poppy, when demand exceeds supply, and we are potentially heading into this scenario now.

### Chia:

Despite the floods and logistical difficulties in Peru we have secured stock. The new crop situation is yet to make itself clear.

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## Products

Whether you need seeds such as sesame, linseed or quinoa through to something more exotic, Unicorn has the supply chain to source the wholesale ingredients you need for your bakery, retail chain or hospitality business.

Wherever we travel in the world, we aim to find the highest-quality products and are fully equipped to process them to the standards your customers expect. Making the most of close and long-standing relationships with our suppliers worldwide we can manage the entire process to ensure everything goes smoothly from production through processing, transportation and import to ensure your wholesale supply of ingredients is always reliable.

### Seeds

The market for seeds has become more and more intense in recent years, as food manufacturers, retailers and consumers recognise the health value of the product. The protein and essential fatty acids lead some to describe seeds as 'super foods'.

At Unicorn, we have unrivalled expertise at sourcing the very best seeds and ingredients from our suppliers around the globe, taking responsibility for their quality and managing the entire process from production to delivery wherever they're needed in the world.

### A selection of our products:

Amaranth	Hulled Hemp	Poppy Seed
Black sesame seed	Hulled Millet	Pumpkin Seed
Brown Linseed	Hulled Sesame seed	Quinoa
Chia	Kalonji	Sunflower Seed
Golden Linseed	Natural Sesame seed	
Hulled Buckwheat	Organic Range	

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