
Currency update:

The weak US\$ has impacted on most export prices in past weeks, but obviously the opposite impact is the more favorable rates for conversion into Euro's and Sterling. Otherwise the markets are somewhat starved of news. Speculation around Brexit talks, and Trump administration auction of \$ 250 billion of US gov't bonds and who has bought them. Of course, the endless chain of resignations, and speculation around the administration also adds gossip to market tendencies.

FX Monthly movement

- US\$/ £ 1.39 from 1.38
- US\$/ €1.23 from 1.22
- £/€ 1.13 unchanged

General news

The sluggish trend to markets has continued through February, and prices have broadly remained stable. Activity has been quiet as Chinese Spring Festival, Gulfood and Biofach along with school holidays have all taken place in February.

Pumpkinseed kernels:

Markets are just re-opening and will take some time to settle down. Shipments will also not be fully up to speed until end of the first week in March. Generally, we see AA grades pretty much at the bottom of the price curve now, and single A grades still with potential weakness, but not of significance. It seems like a good time to cover pumpkin requirements through until the end of 2018.

Linseed:

Stable prices, and good supply.

Sesame seed:

The market has definitely come off the boil now and settled into a very stable trading range from India and Africa. As mentioned earlier the significant demand will come from China at some point, but there are stocks to fulfil this requirement and we are approaching summer crops and even new crop harvests week by week. We do not anticipate further significant upward movement.

In Central America, the poor crops in Nicaragua, Guatemala, Mexico, and Venezuela have been compensated for by good natural sesame supply from Paraguay & Bolivia. This will be acceptable to the Japanese market, so we expect this regions prices to stabilise too.

Hulled millet:

Supplies are tight, and we hear of trade between Ukraine and Poland, two producing countries normally, at these high levels which tends to indicate that the shortage is here to stay for some months yet. As usual tightness in supply leads to an increase in quality issues, so choice of processor is important, to maintain consistency in quality.

Sunflower:

Sluggish global demand for sunflower oil, and aggressive competition between hullers in Bulgaria continue to keep this market under pressure. A poorer crop in Ukraine, has not fueled price increases. Since September 2017, the price of sunflower oil has declined around 5% in US\$, and this is more or less replicated in the kernel market. The total global crop for 2017 was slightly over 45 million tonnes compared to 2016 which was 47.3 million tonnes. Russia and Ukraine are the major producing countries, accounting for approximately 50% of world production. The production of sunflower oil was higher in 2017 than 2016 because of the previous year's harvest and is expected to increase slightly in the 2018 season. 2018 forecasted production of seed is planned to be in line with 2016 harvest area.

Poppy seed:

The situation remains and is potentially tightening as we progress through the year. The forecast for 2018 crops is generally lower than 2017, except for the Czech Republic, where information is minimal. But it seems global supply will remain tight through the whole of 2018. This situation is primarily concerned with the oversupply of poppy seed straw for morphine production, and a shrinkage in the global demand for morphine.

Chia:

Obtaining material that conforms to the strict EU residue levels remains the challenge from all sources, and prices are high but stable for the better-quality Bolivian or Peruvian material.

Contacts

Frank Horan

fhoran@unicorningredients.com

+44 (0)1372 230020

Nikki Divers

ndivers@unicorningredients.com

+44 (0)1372 230020

John Millest

jmillest@unicorningredients.com

+44 (0)1372 230020

www.unicorningredients.com