

## Currency update:

US dollar strength and continued uncertainty over Brexit dominate the FX markets currently. US/China trade sanctions are being watched carefully as the two countries try to resolve this issue. In the UK the possibility of interest rate increases has receded, and this has contributed to Sterling's slide. The Euro has lost momentum after a slowdown in growth figures, although declared as temporary by Draghi. The question therefore remains as to when the EU economy will 'normalize' and this time frame seems to be moving ever backwards. The resignation of the Home Secretary this week, should not in itself impact on Sterling, but the changing balance of supporters/remainers for Brexit might!

## FX Monthly movement

- US\$/ £ 1.36 from 1.39
- US\$/ € 1.20 from 1.23
- £/€ 1.14 from 1.12

## General news

We are entering the quiet market report period, when crops are either sown or being sown in Northern Hemisphere regions, and we are at the tail end of supply of 2017 harvest. We would expect news to increase towards end June as we get a feel for how the harvests are developing and some planting figures become available. With prices generally low, there is reluctance for suppliers to sell to heavily into the new crop positions since it is hard to see prices decline further, and expectations are for a rise since area will decline and switch to better paying crops.

## Pumpkinseed kernels:

The market has been very flat this last month as advised. Prices are now too low for most involved. Stock holders are sitting on expensive inventory, farmers are unexcited by the returns, and new crops are sure to be less. Pesticide levels continue to worry us in all grades, and we strongly urge clients to make sure each batch is supplied with a relevant analysis certificate. We will conduct our crop survey in a few weeks and report further then.

## Linseed:

New crop prices are not available yet as explained above, but little movement for now in spot sales/purchases. Yellow linseed is getting a little tight for this season supply

## Sesame seed:

In India, stocks are declining, African seed is being imported, and we start to focus on the new crop. The Monsoon will start in June and is predicted to be normal for 2018. Planting will start thereafter, around end July. Availability is OK at present and the market appears to have stabilised recently, with minor fluctuations as the rupee/US dollar changes.

In Central America, we have seen little demand since most buyers are covered until new crop requirements for 2019 delivery. Shipping problems continue however as space is limited, and we are suffering a number of delays as containers are left behind in favour of fresh produce. We are attempting to change this, but customers should be aware and make sure orders are placed with plenty of lead time. We are also watching the situation in Nicaragua, where political instability has returned after 40 years.

## Hulled millet:

2017 harvest is pretty much sold out now, new crop is expected to be better, and we should see this one decline slightly pricewise. It is a little early to obtain new crop offers however. As usual demand for hulled millet has increased as we approach the summer.

## Sunflower:

Soya bean prices are increasing following a significant crop loss in Argentina, and with mineral oil prices also increasing, the tendency is to see other vegetable oils start to follow and thus sunflower kernels. New crop is trading at a premium over old crop currently. Global oilseed production is forecast about 5% lower this year, and carryovers have not been significant in

recent years, so the stage is set for a firmer market. Obviously, weather and acreage sown is going to be the major contributing factor over the coming weeks however.

**Poppy seed:**

Until we get a better feel for the Czech crop we do not expect much to develop in this market. Demand remains steady for all types.

**Chia:**

New crop is in, and material is being carefully selected to comply with EU herbicide regulations. This seems to be a bit of a minefield at present, so 'now your supplier' is key to make sure the material conforms. Glyphosate is traditionally used as a desiccant in harvesting this crop, and only the EU sets such stringent MRL's, whilst the major market, the USA, has no such limit, hence discouraging sales to EU except at a significant premium.

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