

July 2009

€/€ 1.4215

£/€ 1.6450

Aldebaran Commodities B.V. Peanut Market update

Dear Client,

Despite the fact that a lot of people are at this moment enjoying a relaxed summer vacation, we feel the need to give an update on the peanut market to avoid cold showers when the Holidays are over.

Prices on peanuts have remained relatively stable over the last 2 months, but the undertone is firming strongly. Spot market in Europe is almost empty, and not all types and counts are available.

Prices from origin gradually increased from US\$ 950,00 close to US\$ 1.000,00 for Argentine Runner 40/50 cpo, and US\$ 1.100,00 C+F for blanched. And this in a market with very little buying interest. The moment buying activity will increase, these prices could further increase with US\$ 50,00 to even US\$ 100,00 a ton. Only competition for Argentina is...Argentina at this moment. Usa was already withdrawn for the 2009 crop, and for what is left from 2008 crop prices now at US\$ 1.275,00 CIF for raw and that would make close to US\$ 1.500,00 on blanched. That means that from the supply side there is room for "improvement" before a ceiling is reached. China is not able to ease this market, most major shippers are sold out and especially on Hsuji type (closed alternative for a Runner) prices over US\$ 1.100,00 for raw 40/50 cpo.

From the buying side we feel that most industries are well covered till October, but that for the period October, December there is still a quantity to be done. And for the period January 2010 onwards especially the smaller and medium size industries are still open. It could be that the actual tonnages that have to be supplied will be smaller due to reduced demand, but if this will be a reduction by double digit numbers or just a slight decrease we have to see. With current Euro (and Pst) rate today's prices should generate positive buying attention. But could be that by the time supermarkets make up their mind, market has increased and Euro is weaker again (could fall back to 1,25 / 1.30).

Market that has been relatively active recently is the bird feeding market. Possible forced by the extreme high levels quoted from India – over US\$ 900,00 C+F – bird feeding buyer's have been looking for available alternatives and were luckily able to source some goods on the spot at around US\$ 880,00 delivered basis and some Argentine small counts and splits at around US\$ 790,00 C+F basis. But this has been from the 2008 crop, and these quantities are diminishing fast. For later positions one should consider market at minimum US\$ 830,00 for bird feeding material.

On inshells market quiet, but will have to see what happens during August and September when we expect some additional demand will come to the surface. At the moment Egypt started offering prices for new crop, that will become available for second half October shipment. Prices in the region of € 1.950,00 CIF basis for 7/9 cpo. From China no big sizes inshell available, and 11/13 cpo for August shipment at US\$ 1.050,00 CIF. September shipment is not being offered, and we do not expect that CIQ will continue on large scale to test for export to EU after August. In Europe no volume for inshell available.

Advice for buyer's who know already now that they need goods for October onwards, not to wait till the market has taken a further step up in price but cover now.

Hope to have informed you satisfactory for new, and please contact us for detailed offer.

Kindest regards,
Paul and Menno

Aldebaran Commodities B.V. www.aldebaran.nl