

Dear Client,

We can safely say that all ingredients of the market haven't changed in comparison with our last market report. Although no major changes we can mention some little changes.

1. The new crop from South Africa is estimated to be around 85.000 mt, but as always the crop can be influenced by weather conditions which we have seen last crop. This crop was also a decent size but was very much influenced by the severe rains in the last part of the crop and finally came to a crop far smaller than expected
2. Prices in China have gone up due to first of all increased freight levels, but also sellers, dealers, companies in China are confident for future prices before arrival in the 2014 crop. They have been buying, trying to build up stocks and they don't sell at cheap levels. Oil factories also increased their prices to purchase supporting current peanuts prices.
3. Brazil has been confronted with dry weather influencing their potential crop size and also possibly quality issues like aflatoxin.
4. Argentina as we understand it is undergoing the final crop stage, and therefore the weather evolution in the forthcoming 25 days shall be vital, since high temperatures and less precipitation are required to produce good peanut quality and yield. The degree of uncertainty is less owing to the fact that harvest is ahead, but it is critical to reach a happy ending, without early frost and recurrent rainfall. Also crop was planted later than usual resulting in a later shipment arrival. We expect first new crop arrivals to be around second half June 2014.
5. Usa seems to offer cheaper and cheaper, and levels now seem to be around US\$ 1.200,00 on average for raw mediums, add US\$ 240,00 to this for blanched product.

All in all again food for thought, and everybody are more or less convinced about current market.

I would like to put a thought in everybody's mind though,

What would happen when we would be confronted with a **drought in the USA**, which effects would this have for first of all the domestic market and export market.

Most shellers still need to contract with the farmers, and in my opinion prices could spiral here.

The effect on the world market would also have a dramatic effect, because at the moment the USA is dominating the price levels there and surely all other origins would take this right away to increase their price levels, especially Argentina which is working under cost price levels at the moment.

I am also convinced that most buyers are mostly uncovered as from second half 2014.

As stated all current sets of mind can change quite quickly here, therefore be careful.

We can offer the following goods on a Fca Rotterdam basis;

Commodity	Grade	Packing	Quantity	Price
Argentine	Runner count 40/50 crop 2013	20 big bags	25 tons	U\$ 1.475,00
Argentine	Runner count 38/42 crop 2013	200 bags	10 tons	U\$ 1.535,00
Argentine	Runner count 50/60 crop 2013	20 big bags	25 tons	U\$ 1.385,00
Argentine	Runner count 70/80 crop 2013	20 big bags	25 tons	U\$ 1.370,00
Argentine	Runner Splits crop 2012 blanched	4 big bags	4 tons	U\$ 1.445,00
Argentine	Runner count 34/38 crop 2012 blanched	80 big bags	80 tons	U\$ 1.595,00
Argentine	Runner count 38/42 crop 2013 blanched	20 big bags	25 tons	U\$ 1.675,00
Chinese	Virginia Shandong count 34/38 crop 2012	800 cartons	20 tons	U\$ 1.650,00
Chinese	Virginia Shandong count 34/38 crop 2013	800 bags	20 tons	U\$ 1.725,00
Chinese	Virginia Shandong count 35/39 crop 2013 blanched	360 bags	9 tons	U\$ 1.545,00
Chinese	Virginia Shandong count 24/28 crop 2013	800 cartons	20 tons	U\$ 1.750,00
Chinese	Virginia Shandong count 25/29 crop 2013 blanched	800 cartons	20 tons	U\$ 1.750,00
Chinese	In shell Shandong count 9/11 crop 2012	570 bags	17 tons	U\$ 1.595,00
USA	Medium Runner crop 2013	20 big bags	20 tons	U\$ 1.395,00
USA	Medium Runner crop 2012 blanched	20 big bags	20 tons	U\$ 1.635,00
USA	Jumbo Runner crop 2012	800 bags	20 tons	U\$ 1.400,00
USA	Jumbo Runner crop 2012 blanched	60 big bags	60 tons	U\$ 1.645,00

Please let us know your view on the market, and your buying interest for nearby and on the longer spread.

Regards,
Paul, Nurcan and Mark



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