

Dear client,

In this week we give you an extensive view on the fascinating cashew market. Next to cashew prices, we have also added our well known peanut prices below.

Raw seeds

According to Vinacas figures, during the last 10 months of 2014 Vietnam has imported 667,081 MT raw seeds, an increase of about 12,13% compared to the same period in 2013 and with an average price of U\$ 1083. Processing capacity in Vietnam is bigger than last year so even import quantity is more than last year but many small/medium packers are still short of raw seed and there is still buying demand for raw seed. There are offers for small quantity (200 – 500 MT) of Tanzanian seed 52 lbs, 200 nuts/kg at price 1485 and we heard biz traded at 1480 last week. Indonesian seeds were offering at U\$ 1450 with outturn 50 lbs, 200 nuts/kg from small trader with small quantities. Processors in Vietnam will have buying interest at around 1380 – 1400 USD/mt CIF HCM for Tanzanian seeds Nov shipment with 52 lbs, 195 - 200 nuts and U\$ 1400 – 1420 Cif HCM for Indonesian seed prompt shipment, 52 lbs outturn, 200 nuts In the domestic market raw seeds Guinea Bissau with 53 lbs is offering at 33,500 VND/kg at factory (equivalent to U\$ 1524 CIF) but not much demand for this price, only some packers who need to keep works for their worker and can sell to China market then they buy some quantity at 32,500 – 33,000.

Cashewnut Kernels Vietnam

According to Vinacas source, Vietnam has exported about 237,466 MT kernels during 10 months of 2014, increased 14.36% compared to same period last year.

Market is quiet and weakens during Oct and Nov. Price is coming down much compared to Sep. There is not much buying demand at present. We did some biz at level below:

- W240: 3.75 – 3.80 from top packer for Dec – Jan
- W320: 3.30 – 3.38 from small/medium packer for Dec – Jan
- W450: 3.10 – 3.15 from small/medium packer
- WS: 2.85 from top packer
- LP: 2.65 - 2.68
- SP: 2.15

We are having offers at price below:

- W240: 3.78 from top packer and 3.60 – 3.65 from small/medium packers for Dec – Jan
- W320: 3.30 – 3.35 from medium packers and 3.50 – 3.55 from top packer
- W450: 3.13 – 3.25
- WS: 2.80 – 2.85
- LP: 2.65 – 2.70

We think medium packers will sell at levels 3.60/3.30/2.80/2.60 for W240/W320/WS/LP for Dec/Jan shipment

Quality of kernels has been improved a bit recently because packers are using GB seeds, Indonesian seeds so color is white. Moisture also improved as there is not much rain in the South of VN.

Chinese market

Chinese buyers are also quiet. They only buy from some traditional sellers with good quality. Top packers can sell at price 8.05 usd/kg tin can for W320 (equivalent to 3.59 usd/lb flexi bag) and 8.55 for W240 (equiv. to 3.82 usd/lb flexi bag). We just heard that there is some more inquiry from China this week as they have moved their stock in China and slowly cover for their needs now.

Domestic market Vietnam

We saw some resistant from small/medium processors at current market price. Before they bought raw seeds in Sep/Oct at high price and at current price for kernels they lose too much money and then they wait. There is quite many processors got panic and offer at cheap price to move stock and accept loss, they are offering at level I mentioned above. Many small processors stop working and wait for cheaper price of raw seeds. With big volume of raw seed imported as mentioned we don't think Vietnam is too short of raw seeds this year but the problem of shortage raw seed for small processors is because of speculation raw seed from some seed traders. If International kernels market continues weak like current trend then seed traders will not keep RCN and will sell to domestic market and make price softer.

Indian Cashews

The market has been extremely quiet and most of the talk in Kollam has been centred around the discussions on wages for the cashew workers from 1st January, 2015. Both the union side and the processors have become entrenched in their ideas and unwilling to move. Traded yesterday from good medium packer W320 for November and December at \$3.30 per lb fob. We have further buyers at this level but this morning best we are seeing is up again at \$3.35 per lb fob – maybe a couple of cents lower. We are also seeing buyers on W320 for Jan Feb and March at \$3.35 per lb fob and we have been offered the level for Jan and Feb, but buyers want the three month spread and the seller will only do two positions – so at the moment a stand-off - We do not see many sellers at these levels, and we are seeing a little interest again – though we don't have buyers queueing up.

Many shippers want to see the outcome of the wages negotiations next week before trying to sell. They also say that if they buy Tanzanian seed at \$1400 CF they must sell W320 at \$3.50 per lb fob for parity if there is a wage hike of 25% in Kerala. The local market between processors and exporters is again down a touch with prices offered (but not traded) basis today's exchange rupees 61.76=\$1 W240 at \$3.89/3.90 per lb fob W320 at \$3.56/7 per lb fob

Delhi/Mumbai markets also quiet. Some offers on Tanzanian raw seed being made at \$1375 CF with 51 lbs out-turn and 200 count – but with payment terms with which we cannot agree, so again maybe a slightly weaker tone to the new crop Tanzanian raw seed market although our normal suppliers are stuck at \$1400 CF.

Still we see reluctance to reduce prices as they feel China will come back to buy towards the end of this month and they will be able to move goods to China at much higher levels. Shippers do not want to offer for Feb forward as they are uncertain of raw seed costs and availability – unless they are able to make premium prices.

Market thoughts

It seems that there is no definite thought how the market on cashews will develop. Neither on the producing or buying side. Too much insecurity from both sides, currencies have a definite effect in Europe, supply RCN in Vietnam//India are pricewise unknown, total demand seems up, all buyers are effected to keep their stocks down for the end of 2014 figures. Usually this means that market up to end of December 2014 it will remain quiet and feels bearish, but we are sure that as from January onwards up to the end of April 2015 market will flare up again to cover market needs. Our advice is to cover your needs un till the end of 2014 and as from January 2015 cover(in the beginning of January) up to end of April 2015, than wait. Market for spot is only under pressure due to weak sellers which need cash.

In case you have questions of enquiries for do not hesitate and contact us please. Also when you have goods either peanuts, cashews, sunflower kernels to offer. Your feedback is highly appreciated!

Kindest regards,
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CASHEW PRICES FCA & CIF ROTTERDAM

Prices on FCA Rotterdam basis are as follows*:

Packaging quantity	Total lb	Origin	Grade	Crop	Price US\$ /lb
1.112 cartons	55600	Vietnam	LBW320	2014	3,42
220 cartons	11000	Vietnam	WW280	2014	3,88
700 cartons	35000	Vietnam	WW450	2014	3,38
100 cartons	5000	Vietnam	SW350	2014	3,40
500 cartons	25000	Vietnam	WW320	2014	3,64
150 cartons	7500	Vietnam	WS	2014	3,07

Prices on C+F Rotterdam basis are as follows*:

Packaging quantity	Total MT	Origin	Grade	Crop	ETA	Price US\$ /lb
400 cartons	20000	India	WW320	2014	14-12-2014	3,58
150 cartons	7500	Vietnam	LP	2014	13-11-2014	2,98
700 cartons	35000	Vietnam	WW320	2014	13-11-2014	3,58

* Prices are subject to final confirmation.

PEANUT PRICES FCA & CIF ROTTERDAM

Prices on FCA Rotterdam basis are as follows*:

Packaging quantity	Total MT	Origin	Grade	Crop	Price US\$ /mt
Raw, Blanched and Roasted peanuts					
23 big bags	28,9	Argentine	Runner 40/50	2014	1,625
24 big bags	24,4	Argentine	Runner 80/100	2014	1,250
1077 paper bags	21,5	Argentine	In-shell 22/64 Striped	2014	1,575
941 paper/poly bags	23,5	Chinese	Red Skin 50/60	2012	1,675
543 paper bags	13,6	Chinese	Red Skin 50/60	2013	1,695
1310 cartons	32,8	Chinese	Virginia Shandong 25/29 Blanched	2013	1,825
20 big bags	19,7	USA	Jumbo Runner 38/42 Blanched	2012	1,625
540 bags	27,0	USA	Medium Runner 40/50	2013	1,500
57 big bags	56,9	USA	Spanish 70/80 High Oleic Bar ready (ANTWERP)	2013	1,395
Peanut paste					
In case you have a specific interest in these goods, please ask us.					

Prices on C+F Rotterdam basis are as follows*:

Packaging quantity	Total MT	Origin	Grade	Crop	ETA	Price US\$ /mt
40 big bags	50	Argentine	Runner 60/70 blanched	2014	21-11-2014	1,575
40 big bags	50	Argentine	Runner 60/70 blanched	2014	5-12-2014	1,575
680 cartons	17	Chinese	Virginia Shandong 24/28	2014	9-12-2014	1,850
1420 poly bags	35,5	South-African	Common Natal 60/70	2014	22-11-2014	1,685

* Prices are subject to final confirmation.