

Dear Client,

At the moment we can see that although we expected that the market would ease off after the sudden and quick increase during April/May 2016, the market continues to rise slowly but firmly and in our view it will continue to do so for the coming months. Especially on the whole grades W320 and W450. Off grades might be offered at more attractive levels, this due to the greater availability (more quality problems with RCN).

Reasons are really that most buyers only got cover for the next 2-3 months, and continue to have so. Probably larger buyers will have covered until April 2017, but all others smaller buyers, dealers etc. are only covered until September/October 2016.

This also due that most shellers/shippers from Vietnam only offer nearby, because of the high uncertainty of the prices and availability of RCN from Vietnam, India and West Africa.

The Chinese buyers are also active these days and pay good prices FOB as below:

- W240 at 9.10 (US 4,12)
- W320 at 8.85 – 8.90 until March 2017 (around US\$ 4,03)
- W450 at 8.50 (US\$ 3,85)
- DW at 8.10 (US\$ 3,68)

This year it is also difficult to get finance, because the banks do not see good margins for cashew factories to get profit. This will push more packer to put priority of selling to China because Chinese pay in advance or pay by cash right after loading cargo on the truck. Packers do not have to wait for long time to get payment like selling to Western market.

There are many small factories closing because they cannot make parity between RCN and kernels price. Many medium and good packers reduce processing capacity as they cannot cover much RCN this year. Some of them have RCN then they sell RCN and reduce processing capacity as they saw they can get some profit if selling RCN rather than processing and selling kernels.

At present RCN is traded at 1800 USD/MT for Guinea Bissau 54/220, IVC 47 LBS is offered at 1575 – 1600 without interest as buyers are afraid that the cargo cannot meet 47 lbs as this year quality from IVC origin is bad.

Domestic market: RCN IVC 48,5 lbs is traded at 38,000 (1700 USD/MT) and W320 traded at 8.50 unpack. With this price small processors can break even and get profit from shell.

Western buyers are still buying, not heavy buying but they buy quite some quantity these days, all buyer from USA, EU, Middle East, Australia are having demand and traded at the following levels:

- W240: 4.10
- W320: 4.00
- W450: 3,88

In Europe we continue to see spot demand and nearby shipments for all grades and most buyers would also take the option to accept for example off grades on count- for example W330 or W360. Again we feel there still needs to be covered a lot!

Indian export market extremely quiet, all shippers are trying to buy domestic kernels or RCN to fulfill their export contracts.

From Brazil, we expect to receive more details shortly, but not a lot of goods left there.

Aldebaran's advice:

1. One needs to realize that a possible easing of the market is not possible – seen in the light of the above mentioned reasons –
2. Look at possibly accepting off grades on count, this could give you an advantage on price. Even options as LBW or SW should be internally discussed.
3. When you have supermarket contracts in your books, do not leave this position open, take cover.

STATEMENT OF IMPORTING RAW SEEDS IN VIETNAM UP TO MAY 2016

1. Quantity Import

Month	Quantity (MT)	Compare to same period 2015 (%)
1	34,005	-9.47%
2	20,913	-45.61%
3	116,668	54.84%
4	35,334	-23.53%
5	100,931	17.91%
Total	307,852	8.72%

2. Top 10 Biggest Importers

Month	Top 10 Biggest Importers (Members of Vinacas)
1	Olam VN, Minh Huy, Cao Phat, Tanimex-LA, Lafooco, Thanh Hien, My Le, Hoang Son I, Phuc An, Duy Duc
2	Cao Phat, Olam VN, Minh Huy, Lafooco, Thanh Thom, RALS VN, Dai An, An Dien, Nam Ha, Tu Hai
3	Olam VN, Cao Phat, Minh Huy, Hung Phu, Hoang Son I, Thanh Hien, Lafooco, Quang Son, My Le, Tanimex-LA
4	Da Kao, Rals VN, Huynh Minh, Olam VN, My Le, Long Duc, Tuan Bong, Phuc An, Lafooco, Nam Ha
5	Olam VN, Hoang Son I, Huynh Minh, Da Kao, Tan Hoa, Bimico, Tanimex-LA, Rals VN, Cao Phat, Ladocashews

3. Importing Markets in April

	Exporters	Quantity (MT)
1	Cote Divoire (Ivory Coast)	54,239
2	Nigeria Ghana	24,794
3	Ghana	13,496
4	Cambodia	4,750
5	Mozambique	1,410
6	Togo	646
7	Benin	611
8	Niger	531
9	Tanzania (united Rep.)	205
10	Guinea	89
11	Thailand	81
12	Myanmar (Burma)	51
13	Laos	27
Total		100,931

STATEMENT OF EXPORTING KERNELS IN VIETNAM UP TO MAY 2016

1. Quantity Export

Month	Quantity (MT)	Increased Compare to same period 2015 (%)
1	25,040	12.54%
2	8,741	-31.05%
3	28,404	38.82%
4	30,932	10.07%
5	33,930	6.65%
Total	127,046	10.19%

2. Export Markets

2.1/ USA

Month	Quantity (MT)	Compare to same period 2015 (%)
1	6,656	36.90%
2	1,827	-48.24%
3	8,414	30.52%
4	11,666	2.27%
5	11,771	-3.66%
Total	40,333	4.87%

2.2/ China

Month	Quantity (MT)	Compare to same period 2015 (%)
1	6,591	-0.73%
2	1,443	-34.63%
3	4,356	43.90%
4	3,112	35.80%
5	3,709	23.18%
Total	19,212	11.84%

2.3/ EU & other markets

Month	Quantity (MT)	Compare to same period 2015 (%)
1	11,793	9.73%
2	5,471	-21.18%
3	15,634	42.29%
4	16,153	12.16%
5	18,450	11.25%
Total	67,502	13.14%

3. Markets Ranking

Month	Top 10 Biggest Markets
1	USA, China, Netherlands, Germany, Canada, Thailand, Australia, UK, Russia, India
2	USA, China, Netherlands, Australia, UK, Canada, Germany, Thailand, India, New Zealand
3	USA, China, Netherlands, Australia, UK, Germany, Thailand, Canada, Singapore, Italy
4	USA, Netherlands, China, Australia, UK, Singapore, Germany, Canada, Thailand, Israel
5	USA, Netherland, China, UK, Australia, Singapore, Germany, Canada, Thailand, Israel

4. Enterprises took part in Exporting

Month	Top 10 Biggest Exporters (Members of Vinacas)
1	Olam VN, Thao Nguyen, Hoang Son I, Minh Huy, Lafooco, Tan Hoa, Nam Son, Haprosimex JSC, Hapro, Tanimex-LA
2	Olam VN, Minh Huy, Tanimex-LA, Hoang Son I, Thao Nguyen, Lafooco, RALS VN, Duy Duc, Tan Hoa, Bimico
3	Olam VN, Minh Huy, Hoang Son I, Thao Nguyen, Rals VN, Phu Thuy, Haprosimex, Bimico, Tan Hoa, Lafooco.
4	Olam VN, Thao Nguyen, Phu Thuy, Minh Huy, Hoang Son I, Rals VN, Da Kao, Tanimex-LA, Kieu Loan, Bach Hy
5	Olam VN, Thao Nguyen, Phu Thuy, Minh Huy, Hoang Son I, Da Kao, Rals VN, Haprosimex JSC, Hapro, Kieu Loan

5. Exporting Markets in May

Number	Importer	Quantity (MT)
1	United States of America	11,770.75
2	Netherlands	4,522.80
3	China	3,708.98
4	United Kingdom	1,562.47
5	Australia	1,452.96
6	Singapore	1,295.86
7	Germany	1,062.26
8	Canada	906.67
9	Thailand	849.11
10	Israel	697.29
11	India	566.65
12	Spain	459.31
13	Italy	584.10
14	Russian Federation	382.03
15	United Arab Emirates	457.88
16	Lebanon	316.70

PRICES

PRICES SPOT

Packaging quantity	Total	Origin	Grade	Crop	Price FCA
BRAZILNUTKERNELS					
72 cartons	1,2 mt	Bolivian	Brazilnutkernels Medium	2015	USD 3,78 /lb
110 cartons	2,2 mt	Bolivian	Brazilnutkernels Midgets	2015	USD 3,78 /lb
CASHEWNUTKERNELS					
502 cartons	25.100 lbs	Mozambique	FS	2015	USD 3,35 /lb
395 cartons	19.750 lbs	Vietnamese	LP	2016	USD 3,22 /lb
475 cartons	23.750 lbs	Vietnamese	LWP	2015	USD 3,35 /lb
700 cartons	33.600 lbs	Vietnamese	WS	2016	USD 3,38 /lb
PECANS					
276 cartons	8.280 lbs	USA	Junior Fancy Mammoth Halves	2015	USD 13,55 /kg
DRIED APRICOTS					
225 cartons	2,8 mt	Turkish	Dried apricots # 1	2015	EUR 4,00 /kg
400 cartons	5 mt	Turkish	Dried apricots # 2	2015	EUR 3,90 /kg

Kindest regards,

Paul, Nurcan, and Mark

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