



CHELMER FOODS NEWSLETTER

HIGHLIGHTS

02.12.2022

Positive news emerging from China that daily COVID infection rates fell and that regional restrictions will ease, has seemed to have outweighed Dollar support in the form of hawkish commentary from Fed officials, backing aggressive rate hikes. US stocks dipped on Tuesday, but the moves were modest as investors held off on making big bets ahead of further announcements. Investors in the futures market have priced in a roughly 70% chance that Fed will deliver a 0.5 percentage point increase at its meeting in December after four consecutive 0.75 percentage point moves.

Taking into account the above market movements, our sterling has improved this week.



GBP to USD Chart +1.51% (1W)

• 1 GBP = 1.22728 USD Dec 2, 2022, 12:10 UTC

British Pound to US Dollar

12H 1D **1W** 1M 1Y 2Y 5Y 10Y





Flaxseed

02.12.2022

Not much has differed from the last market update, the European Linseed market has remained relatively stable with slow demand. It has been known to fluctuate €20 to €30, but still sits at low €900 levels for Brown and low €1200's for Golden.

Russian markets are aggressive in their approach and offering at very cheap levels, although their material cannot be used for EU/UK markets, whereas Kazakhstan's raw material price has firmed up. Overall, the market remains steady. It is predicted however, that demand may pick up in the new year as we may have potentially reached the bottom price levels in the market.



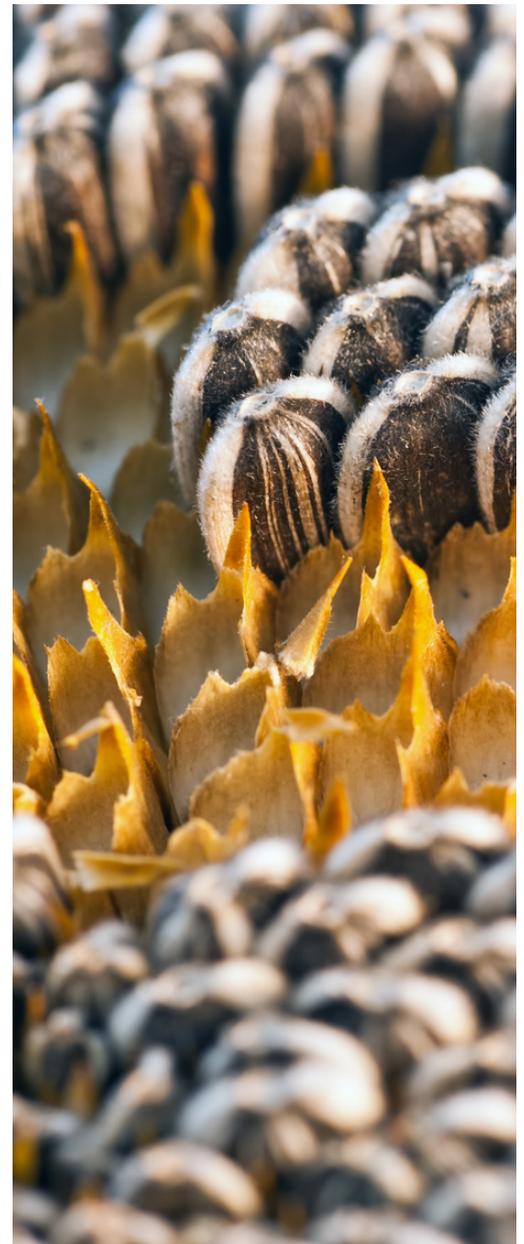


Sunflower

02.12.2022

To echo last week's report, despite lower yields throughout Europe and neighboring countries, there have been no significant movements in price and remain at a similar level to this time last year, months before Russia's invasion of Ukraine roiled the markets. Last week the EU Commission significantly lowered its sunflower seed forecast. At 9.32 million mt, this year's crop would be significantly below original expectations, and below the 5-year average of 9.996 million mt.

Market players report that demand for Eastern European sunflower seeds has stalled for weeks, and Bulgarian traders complain about a lack of buying interest, despite countries like Germany increasing exports compared to the previous year. Looking to China, sunflower seed prices have risen recently, even though demand is weak. November to February are usually the months with the highest demand in the Chinese sunflower seed market. This applies equally to the domestic market and the export trade.





Millet

02.12.2022

Not much has changed in the EU market. Demand overall is relatively slow, presenting steady price levels and opportunities to obtain longer term positions. It is expected that the EU market will remain at these levels till the new year. The U.S. market also remains the same.

Price levels remain stable as growers have the bin space to hold onto raw material and wait to see how export demand plays out. Speaking plainly, growers and traders will sell and commit, but may not release huge volumes as they are in a position to wait. Freight rates continue to ease at relatively stable levels.





Poppy

02.12.2022

The Czech blue poppy seed raw material price is continually pulling away from other origins, such as Spanish material for example. An extremely low yield this year initiated high prices, but as the season has gone on, in turn it has slowed down sales significantly, now leaving growers, traders and processors alike with significant stock levels. This has pushed many Czech suppliers to think about the possibility of discounting poppy seed prices in order to sell some of their stock holding. For requirements going into next year, this may be an opportune moment to purchase Czech origin poppy seeds.





Pumpkin

02.12.2022

After the strict Covid policy was relaxed a little in the northwestern growing regions of China, the pumpkin seed market was able to stabilise. It is now much easier for suppliers to get raw kernels from most regions, although there are still closures in some areas.

This in combination with the Chinese New Year less than two months away, prices are not expected to fall significantly, although prices currently remain relatively unchanged. Freight rates continue to ease giving a slight price advantage, however, this is expected to end at some stage as rates reach almost pre-pandemic levels.

