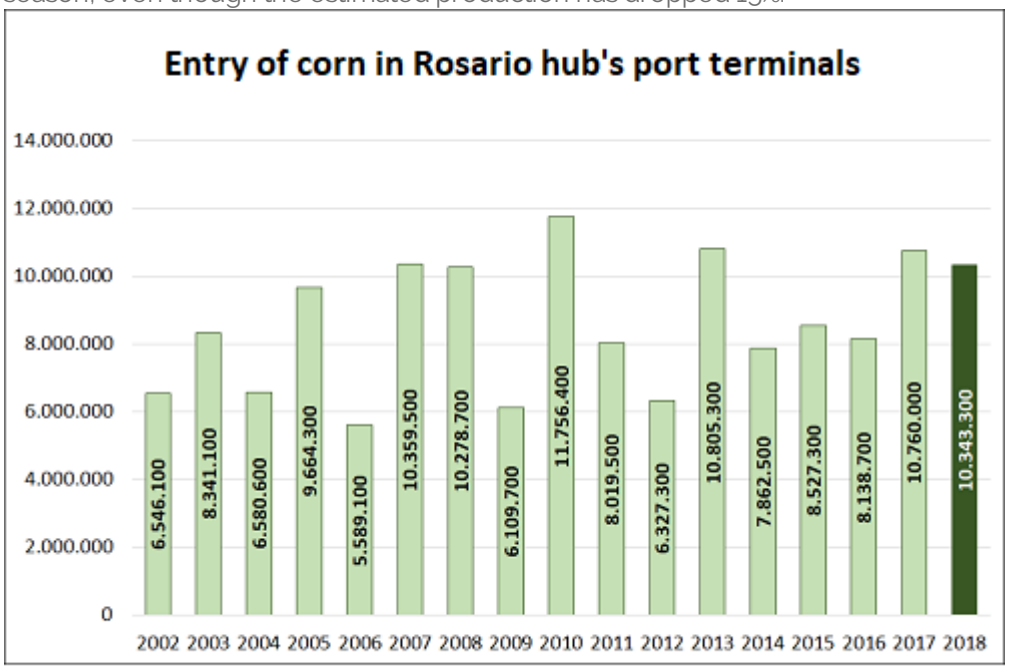
Exports support corn while soybean prices decreased locally

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In the local market, prices of coarse grains have shown different variations during the week. On one side, the Rosario Board of Trade´s reference prices, show a very strong weekly drop for soybeans, which went from being worth U$S 164.9/t on Thursday 2, to having an estimated price of U$S 158.2/t on Thursday 9, pushed by the fall of soybean meal's FOB and the decline of the bean in CBOT. Meanwhile, corn experienced a price rise. As a result only few oilseed transactions were effected, while the cereal did show some mobility in the spot market. Second crop corn, on the other hand, is currently at the spotlight. In spite of the brutal drought that affected almost the entire productive area of Argentina last summer, the entry of corn since the beginning of the 2017/18 season until the month of July does not yet account for the fall, discounting the possibility of experiencing a strong fall in the future. As shown in the attached graph, the entry of trucks with corn according to delivery records between the months of March and July are only 4% below the previous season, even though the estimated production has dropped 15%.



Source: @BCRmercados based on Williams Entregas and Cerealnet data.

Regarding the commercialization of soybean, the current 2017/18 commercial year has presented a very active business dynamics. By July 25, 78% of the national production had been purchased, with 27.5 million tons acquired (by both the export and the industrial sector). This leaves only 7.6 MT available for domestic demand, without taking into account the volume that will be destined for seeds and other uses. Therefore, we are facing a very tight market. Respecting 2018/19 season, although soybean production is estimated to be significantly higher than in 2017/18 season, the acquisitions of exporters and industries are lethargic compared to last year's, adding 1.2 MT against the 1.7 MT of the previous season. However, when compared with the 2016/17 season, it can be seen that purchases to date surpass by 200 thousand tons

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last year's values for the same period. It is worth mentioning that at the same point in 2013/14, 2014/15 and 2015/16 seasons the commercialization of new soybean had not yet begun.

Soybean 2018/19: Buyings by millers and exporters

Up to 07/25/2018	2018/19	Avg. 5 years	2017/18
Production (Million tons)	50,3	52,4	35,0
Farmer selling* (Million Tons)	**1,2**	**1,3**	**1,7**
	2%	*3%*	*5%*
Deferred pricing contracts	0,7	1,1	1,4
	57%	*79%*	*81%*
Priced contracts	0,5	0,3	0,3
	43%	*21%*	*19%*
Available for further buyings	**49,1**	**51,0**	**33,3**
Volume still not priced	**49,8**	**52,1**	**34,7**

Source: Rosario Board of Trade based on Ministry of Agriculture and estimations of our own.

Conversely, exports are showing a faster pace for next season when compared to the current one. Foreign sales affidavits (DJVE) reported by the Ministry of Agribusiness totals 17.4 MT of soybean (1.5 of beans, plus 12.2 of by-products and 2.1 of oil), about 6.5 MT less than last year. As for 2018/19 sales, 780,000 tn were sold (270,000 of beans, plus 380,000 of by-products and 80,000 of soybean oil), when in the previous 7 years no foreign sales had been submitted by this date. This allows us to be optimistic regarding foreign trade this new season, which will have a positive impact on the level of activity, employment and generation of foreign currency in our region.

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