

GSA Afternoon Market Commentary

13 April 2015



	2015/04/13			2015/04/10			2015/04/10			2015/04/09	
	New (12:00pm)	Δ	Δ%	New (12:00pm)		New FOB (\$/ton)	Δ	Δ%	Prev FOB		
1 EURO : ? USD	1.0546	-0.0071	-0.67%	1.0617	USA MAIZE	178	-1	-0.6%	179		
1 USD : ? ZAR	12.15	0.1777	1.46%	11.97	ARG MAIZE	168	-1	-0.6%	169		
Corn May 15 (c/bu)	374.25	-4.25	-1.1%	378.50	USA HRW WHEAT	249	-3	-1.2%	252		
Corn Jul 15 (c/bu)	382.00	-4.50	-1.2%	386.50	GERMANY WHEAT	208	-4	-1.9%	212		
Soybean May 15 (c/bu)	952.75	-0.25	0.0%	953.00	USA SOY	381	-6	-1.6%	387		
Soybean Sep 15 (c/bu)	948.50	-0.50	-0.1%	949.00	USA SORG	271	0	0.0%	271		
Wheat May 15 (c/bu)	515.00	-2.75	-0.5%	517.75	FRANSBARL	201	-1	-0.5%	202		
Wheat Sep 15 (c/bu)	520.75	-4.50	-0.9%	525.25	ARG WHEAT	223	5	2.3%	218		
WMAZ Apr 15 (R/t)	2624	30	1.1%	2594	ARG SOY	360	-8	-2.2%	368		
WMAZ Jul 15 (R/t)	2659	35	1.3%	2624	ARG SORG	155	0	0.0%	155		
YMAZ Apr 15 (R/t)	2388	-2	-0.1%	2390	EU SUNS	416	0	0.0%	416		
YMAZ Jul 15 (R/t)	2396	24	1.0%	2372	CANADA CANOLA	400	0	0.0%	400		
WHEAT Apr 15 (R/t)	3835	-23	-0.6%	3858	ARG GROUNDNUT	1215	0	0.0%	1215		
WHEAT Sep 15 (R/t)	3824	-16	-0.4%	3840	USA GROUNDNUT	1300	0	0.0%	1300		
SUN Apr 15 (R/t)	4797	27	0.6%	4770	Commodities (R/t)	Import parity (Randfontein)	Safex minus Import Parity	Safex minus Export parity	Export parity (Randfontein)		
SUN May 15 (R/t)	4813	33	0.7%	4780	White maize (USA)	3 137	-51	1016	1 608		
SOY50 Apr 15 (R/t)	4646	26	0.6%	4620	Yellow maize (USA)	3 137	-74	780	1 608		
SOY50 May 15 (R/t)	4670	35	0.7%	4635	Yellow maize (ARG)	2 893	-50	900	1 488		
SORGHUM May 15 (R/t)	2500	75	3.0%	2425	Wheat (ARG)	4 032	-15	1690	2 145		
Malting Barley (Caledon)(R/t)	3107	-23	-0.7%	3130	Wheat (Germany)	3 788	47	1871	1 964		
CANOLA(Swellendam)(R/t)	4300	0	0.0%	4300	HRW May15	4 488	-66	1349	2 475		
GROUNDNUTS(Vaalharts)(R/t)	Choice: R11500/t,Sundry: R8000/t and Crushing: R2000-R3500/t				Wheat (HRW)	4 471	-63	1376	2 459		
Silo certificates premiums traded 10/04/2015					Soybean (USA)	5 988	-1 34	594	4 052		
Wheat	Grade	Silo owner	Silo Location	Traded premium	Soybean (ARG)	5 590	-94	848	3 799		
	B2	OAB	Caledon	R 20.00	Sunflower	6 415	-1 61	401	4 396		
	B2	KAA	Pools	R 20.00	Malt Barley (France)	3 254	-147	1228	1 879		
	B2	OAB	Prottem	R 20.00	Sorghum (USA)	4 376	-1 84	-224	2 724		
Soybeans	SB	TWK	Panbult	R 10.00	Canola	6 371	-2 07	19	4 281		
Silo certificates premiums traded 07/04/2015					Groundnuts (ARG)	18 243	-6 74	-2243	13 743		
Sunflower	FH	SWK	Losdoorns	R 15.00	USA Groundnuts	19 383	-7 88	-3269	14 769		
Silo certificates premiums traded 02/04/2015					USA Groundnuts 3.5%	18 828	-7 32	-2720	14 220		
Yellow Maize	YM1	NWK	Oppaslaagte	R 10.00	USA WM Jul 15	3 174	-51	893	1 766		
	YM1	SWK	Potchefstroom	R 2.00	USA YM Jul 15	3 174	-77	630	1 766		
Soybeans	SB	NWK	Koster	R 5.00	Soybean (USA) May 15	6 008	-1 33	598	4 072		

External factors

The Rand has weakened by 1.46% against the US dollar from the level seen midday Friday. The negative pressure on the Rand was due to disappointing Chinese trade data and a strong US dollar. Chinese exports fell by 15% year-on-year in March, while imports dropped 12.7% year-on-year.

Summer grains (White maize, Yellow maize and Sorghum)

Maize: Domestic maize prices are still bullish since Thursday (09 April). Today's price support was largely due to the weakening of the Rand value. White maize nearest contract month was up by R30/t, closed at R2624/ton; Jul 15 was up by R35/ton, closed at R2659/ton. On the other hand, yellow maize prices were mixed; the nearest contract month was down by R2/ton, closed at R2388/ton; while Jul 15 contact month price was up by R24/t, closed at R2396/ton.

On the international front - Chicago maize (corn) prices were down today, weighed down by a strong dollar. Additionally, recent reports of China securing a substantial amount of maize from Ukraine added negative tone to the market. China's local buyers have purchased around 2 million tons of maize from Ukraine thus far in 2015; this comes after their loan for grains deal they signed in 2012 with Ukraine.

In South America – Conab (crop-forecaster) sees Brazil's 2014/15 maize production at 79 million tons, which is 800 000 tons higher than the previous month estimate. The increases are mainly due to recent beneficial weather conditions.

Winter Grains (Wheat and Barley)

Wheat: Domestic wheat prices did not gain from the weak Rand; the price gains were outweighed by the low international price influence. International wheat prices are currently pressured by strong US dollar. Nonetheless, prices might increase as dry weather conditions in many wheat growing regions of the United States remain a concern. Unusually dry conditions have started to stress winter wheat in the US Plains from Kansas to North Dakota. Moisture deficiencies have intensified as some areas in the central and southern Plains received only one third of normal rainfall during the past 90 days, partly worsened by above-normal temperatures.

In the Black Sea – Ukraine's 2015 wheat production is set to decrease by 17% year-on-year, owing to high input costs.

Oilseeds (Soybean, Sunflower, Canola and Groundnuts)

Soybeans: Domestic soybean prices gained from the weak Rand. While, on the international front – soybean prices remained under pressure following prospects of global ample supplies. Conab (crop-forecaster) expects 2014/15 Brazil's soybean to reach 94.3 million tons, which is 1 million tons higher than their previous estimate and well above the previous season's crop of 86.1 million tons. Harvest is progressing well in Brazil; as of 10 April 2015, harvest was estimated at 84% complete, compared to 77% the previous week.

On the demand perspective – China is still expected to be among the leading global soybean buyers.

Sunflower: Domestic sunflower prices closed higher from Friday's price levels. Both April 15 and May 15 contract month prices were respectively up by R27/ton and R33/ton; closed at R4797/t and R4813/t. In Ukraine - 2015 sunflowerseed production is estimated to be higher, on the back of expected planting increases due to profitability when compared to other crops.

For any queries, please contact: Funzani Sundani: funzani@grainsa.co.za or Wandile Sihlobo: wandile.sihlobo@grainsa.co.za

Disclaimer:

The information herein has been obtained from various sources, the accuracy and/or completeness of which Grain SA does not guarantee and for which Grain SA accepts no liability.