

# GSA Afternoon Market Commentary

21 May 2015



	2015/05/21			2015/05/20			2015/05/20			2015/05/19	
	New (12:00pm)	Δ	Δ%	New (12:00pm)		New FOB (\$/ton)	Δ	Δ%	Prev FOB		
1 EURO: ? USD	1.1142	0.0027	0.24%	1.1115	USA MAIZE	170	-3	-1.7%	173		
1 USD: ? ZAR	11.81	-0.1457	-1.23%	11.95	ARG MAIZE	172	-3	-1.7%	175		
Corn Jul 15 (c/bu)	362.75	2.25	0.6%	360.50	USA HRW WHEAT	238	-5	-2.1%	243		
Corn Sep 15 (c/bu)	369.25	1.50	0.4%	367.75	GERMANY WHEAT	206	-7	-3.3%	213		
Soybean Jul 15 (c/bu)	944.50	4.00	0.4%	940.50	USA SOY	382	-3	-0.8%	385		
Soybean Sep 15 (c/bu)	925.50	3.50	0.4%	922.00	USA SORG	253	-2	-0.8%	255		
Wheat Jul 15 (c/bu)	517.25	9.00	1.7%	508.25	FRANSBARL	190	-6	-3.1%	196		
Wheat Sep 15 (c/bu)	524.25	7.75	1.5%	516.50	ARG WHEAT	228	0	0.0%	228		
WMAZ May 15 (R/t)	2801	-8	-0.3%	2809	ARG SOY	359	-1	-0.3%	360		
WMAZ Jul 15 (R/t)	2845	4	0.1%	2841	ARG SORG	157	-2	-1.3%	159		
YMAZ May 15 (R/t)	2429	4	0.2%	2429	EU SUNS	467	0	0.0%	467		
YMAZ Jul 15 (R/t)	2431	-10	-0.4%	2441	CANADA CANOLA	410	0	0.0%	410		
WHEAT May 15 (R/t)	3800	-12	-0.3%	3812	ARG GROUNDNUT	1170	0	0.0%	1170		
WHEAT Sep 15 (R/t)	3866	-5	-0.1%	3871	USA GROUNDNUT	1300	0	0.0%	1300		
SUN May 15 (R/t)	4918	12	0.2%	4906	Commodities (R/t)	Import parity (Randfontein)	Safex minus Import Parity	Safex minus Export parity	Export parity (Randfontein)		
SUN Jul 15 (R/t)	5003	19	0.4%	4984	White maize (USA)	2 933	-132	1380	1 421		
SOY50 May 15 (R/t)	4581	-16	-0.3%	4597	Yellow maize (USA)	2 933	-50	1008	1 421		
SOY50 Jul 15 (R/t)	4637	-18	-0.4%	4655	Yellow maize (ARG)	2 874	-44	985	1 444		
SORGHUM May 15 (R/t)	2620	0	0.0%	2620	Wheat (ARG)	4 003	-20	1695	2 105		
Malting Barley (Caledon)(R/t)	3072	-12	-0.4%	3084	Wheat (Germany)	3 741	59	1954	1 846		
CANOLA(Swellendam)(R/t)	4300	0	0.0%	4300	HRW Sep 15	4 249	-38	1599	2 267		
GROUNDNUTS(Vaalharts)(R/t)	Choice: R11500/t,Sundry: R8000/t and Crushing: R2000-R3500/t				Wheat (HRW)	4 205	-40	1577	2 223		
<b>Silo certificates premiums traded (21/05/2015)</b>					Soybean (USA)	5 830	-1 200	666	3 915		
Grade	Silo owner	Silo Location	Traded premium	Soybean (ARG)	5 450	-86	937	3 644			
Sunflower	FH	OVK	Ficksburg	R 50.00	Sunflower	7 008	-2 090	90	4 828		
Wheat	B2	SSK	Karringmelkrivier	R 35.00	Malt Barley (France)	3 108	-36	1422	1 650		
Yellow Maize	YM1	VRV	Frankfort	R 15.00	Sorghum (USA)	4 020	-1 400	227	2 393		
Soybeans	SB	VRV	Reitz	R 5.00	Canola	6 382	-2 080	54	4 246		
<b>Silo certificates premiums traded (19/05/2015)</b>					Groundnuts (ARG)	17 369	-5 860	-1281	12 781		
Wheat	B1	BKB	Hermon Depot	R 50.00	USA Groundnuts	19 073	-7 570	-2815	14 315		
	B2	BKB	Melboom	R 30.00	USA Groundnuts 3.5%	18 530	-7 030	-2278	13 778		
<b>Silo certificates premiums traded (18/05/2015)</b>					USA WM Jul 15	2 965	-120	1275	1 570		
Soybeans	SB	AFG	Ermelo	R 50.00	USA YM Jul 15	2 965	-530	861	1 570		
Sunflower	FH	SWL	Hertzogville	R 20.00	Soybean (USA) May 15	5 860	-1 200	691	3 946		

## External factors

The Rand strengthened by 1.24% against the US dollar from the level seen at midday yesterday. The SA Reserve Bank has left the interest rates unchanged at 5.75%. This was in line with market expectations.

## Summer grains (White maize, Yellow maize and Sorghum)

**Maize:** Domestic maize prices were mixed from yesterday's price levels. White maize nearest contract month prices closed lower by R8/t, while yellow maize prices closed slightly higher by R4/t. Jul 15 contract however, saw white maize prices posting slight gains, up by R4/t, while yellow maize prices plunged by R10/t. Tomorrow is the last trading day for the nearest contract month.

On the international side, maize prices found a bit of support, owing to some buying interest, as well as increased ethanol production reaching 958 000 barrels, highest in three months. South Korea purchased about 55 000 tons of maize from optional origins. CNGOIC forecasted China's 2014/15 imports to an all high at more than 9 million tons ( 4.2 million tons the previous year), following the country's increased demand.

## Winter Grains (Wheat and Barley)

**Wheat:** Domestic wheat prices traded lower from yesterday's price levels at the back of the strong rand. International wheat prices surged, following concerns over quality in the winter wheat producing areas of the US, due to excessive rains. The weaker dollar also added support. Dry weather conditions pose some planting concerns for Russia and Canada.

There has been a lot of buying action, which added to the price surge, with Japan buying about 116 905 tons of milling wheat, Chinese Taipei 101 950 tons of milling wheat and Thailand purchasing about 45 000 tons of milling wheat.

## Oilseeds (Soybean, Sunflower, Canola and Groundnuts)

**Soybeans:** Domestic soybean prices were down from yesterday's price levels. International soybean prices posted slight gains, mainly due to old crop demand as well as the weaker dollar, however the market is flooded with bearish news with concerns over strike action in Argentina's major port Rosario causing limited trading. Additionally a ship in Argentina caused further exports disruption after it ran aground; preventing at least 48 other ships from entering or exiting the port.

Still on the bearish side, Brazil's 2014/15 soybean production forecast was lifted by 0.8 million tons to 94.7 million tons ( 10% higher than the previous year).

**Sunflower:** Domestic sunflower prices traded higher from yesterday's price levels. May 15 and Jul 15 contract month prices were respectively up by R21/t and R19/t, closing at R4918/t and R5003/t.

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