

# GSA Afternoon Market Commentary

25 March 2015



	2015/03/25			2015/03/24			2015/03/24			2015/03/23	
	New (12:00pm)	Δ	Δ%	New (12:00pm)		New FOB (\$/ton)	Δ	Δ%	Prev FOB		
1 EURO: ? USD	1.0951	-0.0019	-0.17%	1.0970	USA MAIZE	179	1	0.6%	178		
1 USD: ? ZAR	11.80	-0.0869	-0.74%	11.88	ARG MAIZE	169	2	1.2%	167		
Corn May 15 (c/bu)	394.50	4.75	1.2%	389.75	USA HRW WHEAT	261	2	0.8%	259		
Corn Jul 15 (c/bu)	402.25	5.00	1.2%	397.25	GERMANY WHEAT	222	1	0.5%	221		
Soybean May 15 (c/bu)	980.50	-0.75	-0.1%	981.25	USA SOY	392	4	1.0%	388		
Soybean Sep 15 (c/bu)	968.00	-1.00	-0.1%	969.00	USA SORG	278	2	0.7%	276		
Wheat May 15 (c/bu)	523.00	-6.25	-1.2%	529.25	FRANSBARL	203	0	0.0%	203		
Wheat Sep 15 (c/bu)	537.00	-5.50	-1.0%	542.50	ARG WHEAT	225	0	0.0%	225		
WMAZ Apr 15 (R/t)	2664	-80	-3.0%	2744	ARG SOY	373	4	1.1%	369		
WMAZ Jul 15 (R/t)	2714	-80	-2.9%	2794	ARG SORG	160	2	1.3%	158		
YMAZ Apr 15 (R/t)	2420	-57	-2.4%	2477	EU SUNS	400	0	0.0%	400		
YMAZ Jul 15 (R/t)	2429	-61	-2.5%	2490	CANADA CANOLA	393	0	0.0%	393		
WHEAT Apr 15 (R/t)	3809	-54	-1.4%	3863	ARG GROUNDNUT	1265	0	0.0%	1265		
WHEAT Sep 15 (R/t)	3810	-7	-0.2%	3817	USA GROUNDNUT	1300	0	0.0%	1300		
SUN Apr 15 (R/t)	4875	-100	-2.1%	4975	Commodities (R/t)	Import parity (Randfontein)	Safex minus Import Parity	Safex minus Export parity	Export parity (Randfontein)		
SUN May 15 (R/t)	4885	-65	-1.3%	4950	White maize (USA)	3 095	-43	1088	1 576		
SOY50 Apr 15 (R/t)	4813	-74	-1.5%	4887	Yellow maize (USA)	3 095	-67	844	1 576		
SOY50 May 15 (R/t)	4815	-80	-1.7%	4895	Yellow maize (ARG)	2 845	-42	963	1 458		
SORGHUM May 15 (R/t)	2475	0	0.0%	2475	Wheat (ARG)	3 981	-172	1696	2 113		
Malting Barley (Caledon)(R/t)	3081	-54	-1.8%	3135	Wheat (Germany)	3 898	-89	1732	2 077		
CANOLA(Swellendam)(R/t)	4300	0	0.0%	4300	HRW May15	4 568	-75	1247	2 563		
GROUNDNUTS(Vaalharts)(R/t)	Choice: R11500/t,Sundry: R8000/t and Crushing: R2000-R3500/t				Wheat (HRW)	4 542	-73	1271	2 538		
<b>Silo certificates premiums traded (23/03/2015)</b>					Soybean (USA)	6 017	-1 204	726	4 087		
Grade	Silo owner	Silo Location	Traded premium		Soybean (ARG)	5 641	-826	951	3 862		
Soybeans	SB	AFG	Standerton	R 80.00	Sunflower	6 086	-1 241	772	4 103		
Yellow Maize	YM1	VRY	Petrus Steyn	R 10.00	Malt Barley (France)	3 222	-141	1228	1 853		
<b>Silo certificates premiums traded (19/03/2015)</b>					Sorghum (USA)	4 383	-1 900	-264	2 739		
Soybeans	SB	AFG	Standerton	R 90.00	Canola	6 135	-1 835	201	4 099		
Yellow Maize	YM1	NWK	Koster	R 10.00	Groundnuts (ARG)	18 541	-7 041	-2530	14 030		
Sunflower	FH	SWK	Losdoorns	R 6.00	USA Groundnuts	19 000	-7 500	-2944	14 444		
<b>Silo certificates premiums traded (18/03/2015)</b>					USA Groundnuts 3.5%	18 457	-6 987	-2406	13 906		
Sunflower	FH	OVK	Modderpoort	R 20.00	USA WM Jul 15	3 133	-41	983	1 731		
	FH	OVK	Tweetspruit	R 20.00	USA YM Jul 15	3 133	-70	698	1 731		
White Maize	WM1	SWK	Viljoenskroon	R 5.00	Soybean (USA) May 15	6 038	-1 22	708	4 107		

## External factors

The Rand has strengthened by 0.74% against the US dollar from the level seen midday yesterday. The rand made further gains against the US dollar at midday, after the dollar lost ground against the euro. The main focus for the market this week remains on the interest rate decision from the South African Reserve Bank tomorrow. Analysts expect the Bank to leave interest rates unchanged.

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

**Maize:** Domestically, maize prices posted significant losses; April 15 contract month prices for white and yellow maize were down by R80/t and R57/t, respectively. Jul 15 contract month prices also closed lower for both white and yellow maize. Domestic maize prices closed lower at the back of roll-out of March 15 contract month (correction on yesterday's gains), as well as rumours of possible improvements on the Crop Estimate figures.

The National Crop Estimates Committee's second production forecast for 2015 maize is at 9 666 350 tons, slightly higher than the previous estimate (+0.01%). White maize was revised lower by 1.21% from the previous estimate to 4 639 400 tons, while yellow maize was revised higher by 1.17% to 5 026 950 tons.

SAGIS reported 2014/15 weekly maize producer deliveries for the week ending 20 March at 33 883 tons, with white maize at 6 420 tons and yellow maize at 27 463 tons. Furthermore, this season's total maize deliveries pace to date is at 97.1%, slightly higher than last year's delivery pace of 96.5%.

The CEC's second production forecast for 2015 sorghum is at 158 300 tons, which is 11.42% lower than the previous estimate.

Internationally, corn prices managed to hold onto yesterday's gains, mainly supported by concerns over unfavourable weather conditions across the Southern parts of the US. Ideas of a likely reduction on the US's 2015/16 corn plantings provided further support, trade guesses within 87 -89.9 million acres.

## Winter Grains (Wheat and Barley)

**Wheat:** Domestic wheat prices lost some gains at the back of the strong Rand. The Strong Rand is advantageous for the importers, hence there's a negative price sentiment in the domestic wheat market. Internationally, wheat prices closed lower, as weather conditions in the key producing areas of the US have improved providing much needed relief. Signs of improving weather conditions in other major exporters added to the bearish sentiment.

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

**Soybeans:** Domestic soybean prices closed lower from yesterday's prices, as scattered rainfalls in some parts of North West and Free State continue to make slight improvements on the crops. The CEC's second production forecast for 2015 soybeans is at 942 850 tons, which is 0.48% higher than the previous estimate.

Internationally soybeans prices were clouded by bearishness in the market, owing to advancing harvest in Brazil as well as an expected increase in US's 2015/16 soybean plantings.

The CEC's second production forecast for 2015 Groundnuts is at 66 225 tons, which is 2.39% lower than the previous estimate.

**Sunflower:** Domestic sunflower prices closed lower from yesterday's price levels. Both Apr 15 and May 15 contract month prices were respectively down by R100/ton and R65/ton, closed at R4875/t and R4885/t, pressured by scattered showers in the North West and Free State in the past few days. The CEC's second production forecast for 2015 sunflower seed is at 578 600 tons which is 0.75% higher than the previous estimate.

For any queries, please contact: Wandile Sihlobo: [wandile.sihlobo@grainsa.co.za](mailto:wandile.sihlobo@grainsa.co.za) or Funzani Sundani: [funzani@grainsa.co.za](mailto:funzani@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. Any prices or levels contained herein are preliminary and indicative only and do not represent bids or offers. These indications are provided solely for your information and consideration.