

Grain SA's Oilseed Market Commentary

Grain SA	DATE		DATE		+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO	
	2017/01/09		2016/12/19		2016/12/12		2016/12/05		2015/12/14	
	Data	Δ	Δ%	Data	Δ	Data	Δ	Data	Δ	Data
Brent (\$/b)	56.88	1.29	2.3%	55.59	0.4%	56.63	5.5%	53.90	49.5%	38.05
US\$: ? ZAR	13.76	-0.260	-1.9%	14.02	0.0%	13.76	-0.7%	13.86	-9.1%	15.13
Corn	R 1,939.29	-26	-1.3%	R 1,964.90	* CBOT Dec cents / bushel + -08 : 00 today vs CBOT Corn Dec + -12 : 00 the previous day					
Wheat	R 2,138.66	32	1.5%	R 2,106.95	* CBOT Dec cents / bushel + -08:00 today vs. CBOT Wheat Dec + -12 : 00 the previous day					
Soybean	R 4,985.15	-352	-6.6%	R 5,336.92	* CBOT Jan cents / bushel + -08 : 00 today vs. CBOT Soy Jan + -12 : 00 the previous day					
Latest CBOT prices during overnight trading (Recorded between 6 a.m. to 07:00 am vs 12:00 pm the previous trading day)										
Corn Spot	358.00	2.00	0.6%	356.00	2%	352.00	6%	337.00	-6%	379.00
Wheat Spot	423.00	14.00	3.4%	409.00	6%	400.00	9%	387.00	-14%	493.50
Soybean Spot	986.00	-50.00	-4.8%	1036.00	-5%	1037.00	-4%	1027.00	13%	874.25
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)										
SORGHUM SPOT	3300	0	0.0%	3300	0.0%	3300	0.0%	3300	2%	3230
WMAZ SPOT	3551	-591	-14.3%	4142	-10.7%	3977	-15.2%	4186	-9.1%	3907
YMAZ SPOT	3325	-7	-0.2%	3332	3.7%	3206	2.5%	3245	-1.8%	3387
SOY 50 SPOT	6300	-265	-4.0%	6565	-3.4%	6520	-4.1%	6570	-1.1%	6367
SUN SPOT	5480	-445	-7.5%	5925	-6%	5831	-8%	5950	-22%	7010
WHEAT SPOT	3958	14	0.4%	3944	1%	3925	1%	3900	-16%	4732
OILSEED (US\$/ton)	2017/01/06	Source: Oilworld			2016/12/16	Apr 2016	March 2015			
Soya-oil, Arg.	803				-4%	833	-4%	839	19%	676
Soya-pell, Arg.	342				2%	335	-2%	348	-7%	368
Soybean, Brazil	421				0%	421	-1%	424	3%	410
USA Runner 40/50	1600				0%	1600	0%	1600	23%	1300
Sun-oil, Arg.	750				-2%	765	-2%	765	-6%	800
Sun-oil, Black Sea	765				-2%	780	-2%	780	2%	750
Sunseed, Black Sea	395				-1%	400	-1%	400	-3%	409
Rapeseed, EU cif	441				0%	440	0%	440	11%	399
Palmk oil Mal, EU	1650				-1%	1670	2%	1610	59%	1037
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS										
<p>Market overview: The rand has weakened by around 0.95% to trade at R13.75/\$ this morning from the R13.62/\$ of Friday 12:00. The rand traded last week at levels of between R13.50/\$ up to almost R13.80/\$. This is a movement of almost 30 cents during the course of the week and that is an indication of the uncertainty there are still in the markets. The rand fell down from its 4-week high which was seen on Thursday last week. The rand is influenced by the stronger dollar which recovered last week and added pressure on the Rand. Locally, the current focus is on inflation rate outlook and what the SARB's decision will be in regards to the repo rate. On the commodities perspective, oil markets started the New Year high and continue to extend. Brent crude oil prices are trading a little higher than the level seen on Friday; currently quoted at US\$56.88 per barrel.</p> <p>Soybeans: The world exports of soybeans reached approximately 43.1 million ton in September to December 2016. This is the second highest exports figures on record. Most of these exports went to China as they were receiving 74% of the total exports up from the 69% of a year earlier. Higher imports were seen from China as their demand are growing at a fast rate to fulfil the demand on soybean oil and meal in China. The current focus in the soybean markets are largely on the South American crop expectation. In Brazil the crop is looking good and the expectation of a large crop is still increasing. Larger stocks from South America are likely to place some pressure on the US prices as that are seen currently in the market. The large South American crops would make them more competitive in terms of exports and countries like China would import more from South America as from the USA. The US soybeans exports decreased seasonally and were seen by the amount of cancellations in export booking lately. In Argentina there are concerns about the unfavourable weather that are seen in large parts of the Argentinian soybean producing areas. Heavy rains late in the season caused floods and restricted plantings in Argentina and the current estimation is that the area planted are likely to be the lowest in 5 years. The Argentinian government announced lower soybean exports tax from 2018 onwards, but for 2017 the still higher exports taxes on Argentinian soybeans as well as the lower plantings are likely to keep a cap on the bearish soybean markets. Local: The local soybean prices traded mixed last week trading initially lower during the week, but posted some gains from Wednesday. The gains that were seen towards the end on the week was however not sufficient to make up the losses that were seen earlier the week and the market closed lower on Friday than it opened on Monday. The local soybean prices and the derived soybean prices did traded a little closer to each other during last week, but the Safex soybean prices are still higher than the derived soybean prices.</p> <p>Sunflower Seed: The world sunflower seed exports has increased sizably so far this year with Ukraine as the largest sunflower seed exporter. Ukraine boosted the exports of sunflower seed oil by 300 000 tons from September to November 2016 with the largest trading partners India, Iran, China, North Africa and the EU. In September to November 2016 sunflower seed exports jumped 200 000 ton from a year earlier to 700 000 ton. In the same period sunflower oil recorded the biggest increase by 500 000 ton to 2.2 million ton, while the exports of sunflower meal rose 200 000 ton to 1.6 million ton globally. The sunflower oil prices were very attractive relative to other vegetable oils so far this season. Local: The local sunflower seed market traded mostly lower last week with only Friday's prices that closed a little higher. The gains that were seen on Friday weren't sufficient to make up the losses that were seen during the rest of the week. The local sunflower seed prices and the derived sunflower seed prices are currently trading at the same levels.</p> <p>Canola: Strong import demand from the EU and Pakistan pushed the Canadian canola exports for November 2016 to a record of 980 000 ton. An estimated 810 000 to 820 000 ton of canola processed in December the canola crushing are likely to increase by 500 000 ton to a record of 3.9 million ton in August to December 2016. The Australian canola exports were boosted to a 3 year high of 493 000 in November up 35% on the year and a record for the month. Following the unusually low shipments in October, Australian exports are now on track to at least partly eased the EU supply shortage to 85%. In November 2016. Local: In the latest crop estimates report released in December 2016 the estimated local canola production for the season are revised slightly lower from the November estimation to 108 860 ton. The November estimation were 112 260 ton.</p>										
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