

Grain SA's Oilseed Market Commentary

Grain SA GRAIN SA	DATE	DATE			+ - WEEK AGO			+ - MONTH AGO			+ - YEAR AGO			
	2018/02/12	2018/02/09			2018/02/05			2018/01/15			2017/02/13			
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data				
Brent (\$/b)	63.39	-0.99	↓	1.5%	64.38	↓	6.6%	67.87	↓	9.2%	69.80	↑	13.7%	55.74
US\$: ? ZAR	11.96	-0.110	▶	0.9%	12.07	↓	0.6%	12.03	↓	3.1%	12.34	↓	9.9%	13.28
Corn	R 1 723.27	-6.35	▶	0.4%	R 1 729.62	* CBOT Mar cents / bushel + -08 : 00 today vs CBOT Corn Mar + -12 : 00 the previous day								
Wheat	R 2 008.31	3.70	▶	0.2%	R 2 004.60	*CBOT Mar cents / bushel + -08:00 today vs. CBOT Wheat Mar + -12 : 00 the previous								
Soybean	R 4 390.15	26.15	▶	0.6%	R 4 364.01	* CBOT Mar cents / bushel + -08 : 00 today vs. CBOT Soy Mar + -12 : 00 the previous day								
356														
Corn Mar '18	366.00	2.00	↑	0.5%	364.00	↑	1%	361.00	↑	6%	346.00	↓	10%	407.50
Wheat Mar '18	457.00	5.00	↑	1.1%	452.00	↑	2%	446.00	↑	9%	420.00	↓	12%	519.25
Soybean Mar '18	999.00	15.00	↑	1.5%	984.00	↑	2%	978.00	↑	6%	944.00	↓	3%	1028.00
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)														
SORGHUM Mar '18	3000.00	0	↑	0.0%	3000.00	↑	0.7%	2980.00	↑	5.3%	2850.00			NA
WMAZ SPOT	1827.00	2	↑	0.1%	1825.00	↑	1.2%	1805.00	↓	0.1%	2032.00	↓	35%	2830
WMAZ Jul '18	1948.00	1	↑	0.1%	1947.00	↑	1.3%	1923.00	↓	0.2%	2170.00	↓	15%	2305
YMAZ SPOT	1915.00	1	↑	0.1%	1914.00	↑	0.8%	1900.00	↓	5.2%	2019.00	↓	31%	2780
YMAZ Jul '18	2013.00	9	↑	0.4%	2004.00	↑	1.3%	1988.00	↓	5.0%	2120.00	▶	12%	2300
SOY 50 SPOT	4477.00	-4	↓	0.1%	4481.00	↑	2.4%	4370.00	↓	2.2%	4576.00	▶	30%	6435
SOY May '18	4596.00	2	↑	0.0%	4594.00	↑	2.3%	4491.00	↓	0.5%	4621.00	▶	20%	5746
SUN SPOT	4665.00	45	↑	1.0%	4620.00	↑	0.2%	4658.00	↓	2.3%	4775.00	↓	10%	5195
SUN May '18	4728.00	44	↑	0.9%	4684.00	↑	0.6%	4700.00	↓	0.1%	4734.00	↓	11%	5300
WHEAT Spot	3630.00	-3	↓	0.1%	3633.00	↑	2.5%	3542.00	↓	0.6%	3652.00	↓	9%	4009
WHEAT Mar '17	3652.00	0	↑	0.0%	3652.00	↑	1.8%	3586.00	↓	1.7%	3716.00	↓	9%	4024
OILSEED (US\$/ton)	2018/02/09	Source: Oilworld			2018/02/02			2017/11/13			2016/12/12			
Soya-oil, Arg.	762					↓	-2%	774	↓	-1%	769	↑	13%	676
Soya-pell, Arg.	383					↑	5%	366	↑	13%	339	↑	4%	368
Soybean, Brazil	415					↑	0%	413	↑	1%	410	↑	1%	410
USA Runner 40/50	1200					↑	0%	1200	↓	25%	1600	↓	8%	1300
Sun-oil, Arg.	745					↑	0%	745	↓	-1%	755	↓	7%	800
Sun-oil, Black Sea	760					↑	0%	760	↑	1%	750	↑	1%	750
Sunseed, Black Sea	375					↑	0%	375	↓	-6%	400	↓	8%	409
Rapeseed, EU cif	423					↓	-2%	430	↓	0%	425	↑	6%	399
Palmk oil Mal, EU	1130					↓	-7%	1215	↓	23%	1470	↑	9%	1037

LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS

Soybeans: The international soybean prices are currently caught between a range of bullish and bearish factors as the weather conditions in Argentina is very critical at this stage, but on the other side there are large stock in Brazil and the USA. Some of the bullish factors include the fact that the Argentine soybean crop for the season are expected to be well below last year's crop due to the unfavourable weather conditions which was seen over large parts of the country throughout the production season. The smaller crop would lead to lower supplies of soybean meal and the shortfall in the Argentinian soybean meal can only be partly offsetted by other origins. In some areas of Brazil excessive rainfall cause some delays in the harvesting and may create risks of deteriorating quality if the Brazilian crop in these areas. Some of the bearish factors in the world market currently is that another large Brazilian crop is in the making with the expected crop to be between 110 and 113 million ton for the season. In the USA lower than expected exports that took place for the season will necessitate an upward revision of the US soybean stocks forecast for the season. There is currently uncertainty about the US soybean exports to China as the Chinese Government considering anti-dumping measures against soybean imports from the US, but the expectations is that this will most probably not go through as China is still largely dependent on imports from the US. The soybean oil prices has weakened relative to the soybean meal prices due to the recent downtrend in the world soybean oil import demand. **Local:** The local soybean market found some good support last week and traded mostly higher for the week in most of the contract months which is listed currently.

Sunflower seed: In Ukraine the year on year decline in the sunflower seed crushing and this season's reduced oil yield curbed the sunflower oil output below the levels that were seen the same time of the season last year. There were also relatively large export shipments of sunflower seed oil from Russia that placed the Ukraine exports under pressure, while the sunflower seed meal exports from Ukraine increased sharply. In Kazakhstan the production of major oilseeds has reached a new high of an estimated 2.3 million tons in 2017 and Kazakhstan has become an important supplier of especially sunflower seed over the recent few years. **Local:** The local sunflower seed market has traded mostly mixed last week but found some good support towards the end of the week to close higher on Friday than the levels that were seen in Monday with market opening.

Canola: The world exports of rapeseed and canola has remained unusually high at the end of 2017 driven by large import requirements of the crushing countries like China, Mexico, Japan and the EU. The Canadian canola exports has exceeded the expectations during December 2017 and were higher than the levels that were seen a year earlier. The Australian canola exports had a slow start, but the pace of the exports from Australia has increased as the season progressed and the canola production there turned out to be better than what was expected initially. **Local:** In the sixth production forecast of winter grains that was released by the CEC the local canola production was revised slightly higher from the previous estimates production. The canola production for the season are expected to be 93 468 ton.

Groundnuts: In the central parts of the key groundnut producing areas of Argentina the groundnuts are suffering from severe dryness whereas in the southern areas the crop is still reported to be in a good conditions. The plantings for the season was largely finished by mid-January and the area planted has increased by 12% from last year. Despite last year's record crop that were produced the groundnut exports declined by around 13% mostly due to the delays that were seen in the harvesting. In the US the crushing of groundnuts declined by a combined 17% from the unusually high levels that were seen a year earlier. **Local:** In the CEC preliminary area planted report the area planted with groundnuts was reported on 53 000 hectares which is significantly lower than what the intentions to plant was and also slightly below last year's area planted which was 56 000 hectares.

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