

Grain SA's Oilseed Market Commentary

Grain SA GRAIN SA GRAIN SA	DATE 2017/08/14		DATE 2017/08/11		+ - WEEK AGO 2017/08/07		+ - MONTH AGO 2017/07/17		+ - YEAR AGO 2016/08/15					
	Data		Δ	Δ%	Data		Δ	Data	Δ%	Data				
Brent (\$/b)	51.84	5.10	↓	0.9%	51.36	↓	-0.3%	51.99	↑	5.9%	48.94	↑	7.9%	48.06
US\$: ? ZAR	13.46	-0.670	↓	-0.3%	13.50	↑	0.5%	13.39	↑	3.4%	13.02	↑	1.4%	13.28
Corn	R 1 907.61	-64	↓	-3.3%	R 1 971.74	↑								
Wheat	R 2 171.16	-6	↓	-0.3%	R 2 177.62	↑								
Soybean	R 4 624.23	-39	↓	-0.8%	R 4 662.78	↑								
356														
Corn Sep '17	360.00	11.00	↓	-3.0%	371.00	↓	-2%	366.00	↓	-1%	365.00	↓	-2%	367.25
Wheat Sep '17	439.00	16.00	↑	0.0%	439.00	↓	-3%	454.00	↓	-1%	494.00	↓	-0%	488.25
Soybean Sep '17	935.00	-6.25	↓	-0.5%	940.00	↓	-1%	949.00	↓	-5%	985.00	↓	-3%	966.75
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)														
SORGHUM Dec '17	3170	4	↑	0.1%	3170	↑	0.0%	3170	↑	6.4%	3174			NA
WMAZ SPOT	1859	-38	↓	-2.1%	1881	↑	0.0%	1819	↑	6.4%	1799	↓	-58.0%	4101
YMAZ SPOT	1980	-36	↓	-1.8%	2000	↑	0.0%	1926	↑	5.8%	1919	↓	-41.3%	3093
SOY 50 SPOT	4675	-27	↓	-0.6%	4713	↑	0.0%	4609	↑	5.9%	4768	↓	-30.0%	6391
SUN SPOT	4739	-24	↓	-0.5%	4749	↑	0%	4720	↓	6%	4654	↓	-9%	5799
WHEAT SPOT	4590	-45	↓	-1.0%	4535	↑	0%	4520	↑	1%	4585	↑	4%	4068
OILSEED (US\$/ton)	2017/08/11	Source: Oilworld			2017/08/04	May 2017		June 2015						
Soya-oil, Arg.	754				↑	2%	738	↓	2%	769	↑	12%	676	
Soya-pell, Arg.	302				↓	4%	314	↓	1%	339	↓	8%	368	
Soybean, Brazil	415				↓	0%	417	↑	1%	410	↑	1%	410	
USA Runner 40/50	1400				↓	3%	1450	↓	3%	1600	↑	8%	1300	
Sun-oil, Arg.	730				↑	1%	725	↓	3%	755	↓	9%	800	
Sun-oil, Black Sea	755				↑	0%	752	↑	1%	750	↑	1%	750	
Sunseed, Black Sea	375				↑	0%	375	↓	6%	400	↓	8%	409	
Rapeseed, EU cif	424				↑	2%	414	↓	0%	425	↑	6%	399	
Palmk oil Mal, EU	1125				↑	15%	980	↓	23%	1470	↑	8%	1037	
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS														
<p>Market Overview: The rand trades slightly stronger than Friday midday as the nation anticipated a credit ratings review by Moody's. There was however no announcement from Moody's on Friday evening because there hasn't been any local event that warrants a review committee meeting, however, the agency will announce normal quarterly credit opinion on Tuesday, 15 August 2017. The Rand also firmed against the dollar at the back of US inflation data released on Friday. US consumer inflation rose 1.7% in July, up from 1.6% in June and this could put US interest rate hikes on hold. At the time of writing, the Rand was trading at around R13.46 to the dollar. Not much movement was seen in Brent crude oil prices. The International Energy Agency said the weak OPEC compliance was prolonging a rebalancing of the oil market, despite the oil demand. At the time of writing, Brent crude oil was trading at around US\$51.84 per barrel.</p> <p>Soybeans: The soybean exports from the US and Brazil were larger than expected for July with 2.2 million and 7 million tons respectively. The exports from Argentina were much lower during July. The crushing of soybeans in the US and the 4 South American countries were close to a year ago level at an estimated 12.2 million tons during July. The soybean oil exports from the major exporting countries were also higher during July. The world soybean stocks were revised upwards in last week's USDA monthly crop report and was against the market anticipation with the current uncertainties in the US soybean production regions due to some weather problems there. The USDA raised projected the crop there to reach a new record of 119.2 million ton which is higher than last year's record crop of 117.2 million ton. The USDA raised the projected soybean world ending stocks for the 2017/18 season to 97.78 million tons from the 93.53 million ton in of the previous estimation. The CBOT soybean prices came under pressure as there were large selling that were seen in the market after the report was released. Local: The local soybean market traded mixed last week with the market that found some support earlier in the week, but came under some pressure later the week to end the week slightly higher than the levels it opened on Monday.</p> <p>Sunflower seed: In Russia and Ukraine the crop prospects for summer grains are still mostly favourable in the key producing areas and the sunflower seed crop in the two countries are estimated to reach a combined 25.5 million ton for the season. The expectations are that these two countries are now likely to exports around 22% more sunflower seed oil and 37% more sunflower meal for the season. The expectations are however still that it is unlikely for the world sunflower seed production to repeat last year's good season and that the sunflower seed production for the season are likely to be lower than last year. It is therefore anticipated that the supplies of the oil of sunflower seed are likely to be tighter this season. Local: The local sunflower seed market traded mixed last week and came under some pressure early in the week, but found some support later in the week to close almost unchanged for the week.</p> <p>Canola: The world exports of rapeseed and canola are estimated to decline by around 2 million tons in the 2017/18 season mostly due to sharply reduced supplies in Canada and Australia. The crop conditions in these two countries are unfavourable and showed some further deterioration lately that curbs the production of rapeseed and canola and contributes to the pressure on the supplies which is already low due to last year's unfavourable conditions. Better crop conditions in the EU and Ukraine will be insufficient to offset the losses in the Canadian and Australian markets. The canola prices in Canada as well as in the EU has appreciated the last few weeks and the expectations in the market are that the price gap are likely to continue to widen between canola and soybeans. Local: Locally the focus are mainly on the weather conditions in the Western Cape where the canola production are under pressure as the germination of the canola for the season were very poor due to the dry weather conditions. The first crop estimates of winter grains will be released on the 29th of August and that would give an good overview of what can be expected for the canola production for the season.</p> <p>Groundnut: In the US there are not much of the current seasons groundnuts left, but the new crop is developing well as the weather conditions are mostly favourable in the groundnut producing areas. In Argentina the harvesting are still under way and are estimated to be around 90% done. Some weather difficulties in Argentina caused some quality problems and small kernels.</p>														
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