

Grain SA's Oilseed Market Commentary

	DATE	DATE		+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO		
	2018/01/15	2018/01/12		2018/01/08		2017/12/11		2017/01/16		
	<i>Data</i>	Δ	Δ%	<i>Data</i>	Δ%	<i>Data</i>	Δ%	<i>Data</i>	Δ%	
Brent (\$/b)	69.80	0.65 ↑	0.9%	69.15	2.4%	68.14	7.8%	64.73	25.3%	
US\$: ? ZAR	12.34	-0.030 ↓	-0.2%	12.37	-0.3%	12.38	-9.4%	13.62	-9.1%	
Corn	R 1 680.87	-13.83 ↓	-0.8%	R 1 694.69	* CBOT Mar cents / bushel + -08 : 00 today vs CBOT Corn Mar + -12 : 00 the previous day					
Wheat	R 1 904.35	-68.26 ↓	-3.5%	R 1 972.62	* CBOT Mar cents / bushel + -08:00 today vs. CBOT Wheat Mar + -12 : 00 the previous day					
Soybean	R 4 280.26	-37.68 ↓	-0.9%	R 4 317.94	* CBOT Mar cents / bushel + -08 : 00 today vs. CBOT Soy Mar + -12 : 00 the previous day					
356										
Corn Dec '17	346.00	-2.00 ↓	-0.6%	348.00	0%	347.25	-1%	349.00	-12%	
Wheat Dec '17	420.00	-14.00 ↓	-3.2%	434.00	-2%	427.75	2%	413.50	-16%	
Soybean Jan '18	944.00	-6.00 ↓	-0.6%	950.00	-1%	958.25	-4%	982.50	-8%	
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	2850.00	0 ↑	0.0%	2850.00	0.0%	2850	0.0%	2850	NA	
WMAZ SPOT	2032.00	1 ↑	0.0%	2031.00	2.1%	1991	7.1%	1898	-41%	
WMAZ Jul '18	2170.00	0 ↑	0.0%	2170.00	2.0%	2128	6.2%	2043	-5%	
YMAZ SPOT	2019.00	-1 ↓	0.0%	2020.00	0.8%	2003	1.8%	1984	-37%	
YMAZ Jul '18	2120.00	-1 ↓	0.0%	2121.00	0.3%	2114	0.6%	2108	-9%	
SOY 50 SPOT	4576.00	-17 ↓	-0.4%	4593.00	-5.1%	4823	-7.3%	4938	-29%	
SOY May '18	4621.00	-15 ↓	-0.3%	4636.00	-5.0%	4862	-8.9%	5071	-23%	
SUN SPOT	4775.00	25 ↑	0.5%	4750.00	0.4%	4757	5.8%	4513	-13%	
SUN May '18	4734.00	8 ↑	0.2%	4726.00	1.0%	4689	3.2%	4585	-15%	
WHEAT Spot	3652.00	-31 ↓	-0.8%	3683.00	-1.2%	3695	-8.2%	3977	NA	
WHEAT Mar '17	3716.00	-27 ↓	-0.7%	3743.00	-1.3%	3766	-9.3%	4096	-8%	
OILSEED (US\$/ton)	2018/01/12	Source: Oilworld			2017/12/08	2017/11/13	2016/12/12			
Soya-oil, Arg.	767	↑		762	1%	769	13%	676		
Soya-pell, Arg.	338	↓		353	-4%	339	-8%	368		
Soybean, Brazil	402	↓		422	-5%	410	-2%	410		
USA Runner 40/50	1225	↓		1250	-2%	1600	-6%	1300		
Sun-oil, Arg.	750	↓		760	-1%	755	-6%	800		
Sun-oil, Black Sea	775	↑		760	2%	750	3%	750		
Sunseed, Black Sea	370	↑		368	1%	400	-10%	409		
Rapeseed, EU cif	425	↓		429	-1%	425	7%	399		
Palmk oil Mal, EU	1260	↓		1360	-7%	1470	22%	1037		
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS										
<p>Market overview: The rand is trading at R12.37/\$ this morning stronger than the R12.45/\$ the market traded at yesterday with market closing. There are currently still no big new news that have entered the market and that would have a significant impact on the value of the rand and therefore the rand is trading relatively stable in the current ranges between R12.30/\$ and R12.50/\$. The traders will be watching the local political situation and in the next few weeks the build up to the president's State of the Nation address and the budget speech by the minister of finance will be two very important factors that will be watched in the markets and will have an impact on the exchange rate.</p> <p>Soybeans: The international soybean prices were mainly under pressure last week as the market was waiting on the latest WASDE report which was released on Friday. The market anticipated that the report would be mostly bearish and the market traded accordingly. The large US stockpiles together with the improving production conditions in Brazil overshadowed the lower soybean plantings and lower yield expectations in Argentina. In Friday's report the USDA has increased the expected world ending stocks at the end of the 2017/18 marketing season only marginally to 98.57 million tons from the previous estimate which was 98.32 million ton. The production estimates for the US were revised slightly lower, while the production estimates for Brazil were revised 2 million ton higher from the previous estimate which was due during December. The Argentinian production estimates for the season was lowered with 1 million ton to 56 million ton. There are currently still large world soybean stocks available and therefore the production problems in South America aren't substantial enough to create substantial support to the international market. In the international trade context the demand for US soybeans is still looking relatively good and a slight slowdown in the demand for Brazilian soybeans boost the US exports. The expectations is that the US soybean exports may show some good support in now in the second half of the marketing year until the Brazilian new crop supplies come into the market. Local: The local soybean market were mostly under pressure last week trading lower for the week in most of the contract months which is listed currently. The market were under pressure as the international market were under pressure and there are still locally large soybean stocks available. There were also some indication that the local crushing margin has started to come under pressure last week, but overall the crushing margin is still positive. The pace of the crushing of soybeans for oil and oilcake will be watched as the latest SAGIS data will be released later this month. The crushing during November was favourable and the expectations in the market is that December's crushing rate were also positive.</p> <p>Sunflower seed: A reduction in oilseed crushing and production output in Russia and Ukraine will result in lower disposals of vegetable oil exports primarily sunflower oil exports. The setback in the sunflower seed stocks due to lower production for the season in these two countries will result in the sizable downscale in the crushing thereof and the production of sunflower oils and meal. The impact of this seasons reduction in the production of sunflower seed were however not fully taken into account and was moderated by the unusually large sun oil inventories in the CIS countries. In Argentina the sunflower seed harvesting is under way and was estimated to be 19% completed for the season this far compared to around 12% completed the same time of the season last year. The yields that are reported in general is reported to be better than what was expected. Local: The local sunflower seed market traded mixed last week as the market were under pressure initially in the week but found some support later the week to close higher for the week than the levels it opened on Monday. The sunflower seed market is currently very sensitive towards the weather conditions and the market came under pressure as the market expects farmers to plant more sunflower seed due to the late season. Currently the area planted to sunflower seed is fairly low and although there are still a small time margin to plant sunflower seed rain in needed in order for the farmers to do so. The weather conditions in the next few days will be very important and market will keep an close eye on it.</p> <p>Canola: The Canadian canola oil exports for November were yet again high and an 7% year on year increase was reported with ongoing large shipments that were seen to China. In Australia the canola crop for the season was better than what was expected initially and the higher production in Australia would boost the exportable quantities there. The EU imports of canola and rapeseed has reached a new high of 2 million ton in July to December 2017 with the biggest increase in the shipments that were from Ukraine which offset the lower imports from Australia. The Ukraine exports program in now virtually completed and the EU imports is expected to move back to Australia. Local: According to the 5th production estimate of the CEC that were released in December the local canola crop for the season is expected to reach 92 400 ton for the season. The production estimates was revised lower from the 4th estimate which was set on 96 600 ton. The drought conditions in the Western Cape had an negative impact on the local canola production for the season.</p>										
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