

## Grain SA's Oilseed Market Commentary

| GRAIN SA<br>GRAN SA  | DATE       | DATE             |       |            | + - WEEK AGO  |       | + - MONTH AGO |      | + - YEAR AGO |         |         |         |
|--|------------|------------------|-------|------------|---|-------|---------------|------|--------------|---------|---------|---------|
|  | 2018/07/16 | 2018/07/13       |       |            | 2018/07/09  |       | 2018/06/18    |      | 2017/07/17   |         |         |         |
|  | Data       | Δ                | Δ%    | Data       | Δ%  | Data  | Δ%            | Data | Δ%           | Data    |         |         |
| Brent (\$/b)   | 74.68      | 0.38             | 0.5%  | 74.3       |   | -3.6% | 77.49         |      | -2.2%        | 76.33   | 54.8%   | 48.24   |
| US\$: ? ZAR  | 13.21      | -0.120           | -0.9% | 13.33      |   | -1.7% | 13.44         |      | -1.3%        | 13.39   | 2.4%    | 12.90   |
| Corn   | R 1 728.65 | -36.17           | -2.0% | R 1 764.82 | * CBOT Jul cents / bushel + -08 : 00 today vs CBOT Corn Jul + -12 : 00 the previous day |       |               |      |              |         |         |         |
| Wheat  | R 2 336.64 | -34.94           | -1.5% | R 2 371.58 | *CBOT Jul cents / bushel + -08:00 today vs. CBOT Wheat Jul + -12 : 00 the previous day  |       |               |      |              |         |         |         |
| Soybean  | R 3 963.65 | -106.54          | -2.6% | R 4 070.19 | * CBOT Jul cents / bushel + -08 : 00 today vs. CBOT Soy Jul + -12 : 00 the previous day |       |               |      |              |         |         |         |
| 356  |            |                  |       |            |   |       |               |      |              |         |         |         |
| Corn Jul '18   | 332.40     | -3.90            | -1.2% | 336.30     |   | -5%   | 350.00        |      | 396.00       | 361.40  | -19%    | 408.75  |
| Wheat Jul '18  | 481.40     | -2.80            | -0.6% | 484.20     |   | -6%   | 513.20        |      | 522.00       | 499.40  | -15%    | 565.25  |
| Soybean Jul '18  | 816.60     | -14.40           | -1.7% | 831.00     |   | -7%   | 874.00        |      | 1021.40      | 905.40  | -20%    | 1021.50 |
| Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)   |            |                  |       |            |   |       |               |      |              |         |         |         |
| SORGHUM Jul '18  | 3250.00    | 0                | 0.0%  | 3250.00    |   | 2.2%  | 3180.00       |      | 4.5%         | 3110.00 | #VALUE! | NA      |
| WMAZ SPOT  | 1979.00    | -12              | -0.6% | 1991.00    |   | -1.3% | 2006.00       |      | -3.2%        | 2045.00 | 11.4%   | 1777    |
| WMAZ Sep '18   | 2024.00    | -14              | -0.7% | 2038.00    |   | -1.9% | 2064.00       |      | -1.4%        | 2052.00 | 11.7%   | 1812    |
| YMAZ SPOT  | 2046.00    | -16              | -0.8% | 2062.00    |   | -2.5% | 2099.00       |      | -4.5%        | 2142.00 | 8.0%    | 1895    |
| YMAZ Sep '18   | 2105.00    | -13              | -0.6% | 2118.00    |   | -2.5% | 2158.00       |      | -2.8%        | 2166.00 | 8.8%    | 1934    |
| SOY 50 SPOT  | 4231.00    | -37              | -0.9% | 4268.00    |   | -1.8% | 4308.00       |      | -2.8%        | 4355.00 | -10.4%  | 4720    |
| SOY Sep '18  | 4320.00    | -40              | -0.9% | 4360.00    |   | -1.9% | 4404.00       |      | -1.6%        | 4391.00 | -9.9%   | 4795    |
| SUN SPOT   | 4558.00    | -31              | -0.7% | 4589.00    |   | -3.8% | 4740.00       |      | -0.9%        | 4598.00 | -1.9%   | 4644    |
| SUN Sep '18  | 4661.00    | -29              | -0.6% | 4690.00    |   | -3.9% | 4850.00       |      | 0.8%         | 4623.00 | -2.0%   | 4758    |
| WHEAT Spot   | 4020.00    | -3               | -0.1% | 4023.00    |   | -0.4% | 4037.00       |      | 1.8%         | 3948.00 | -11.4%  | 4536    |
| WHEAT Sep '18  | 4097.00    | 1                | 0.0%  | 4096.00    |   | 0.1%  | 4094.00       |      | 3.0%         | 3976.00 | 0.5%    | 4078    |
| OILSEED (US\$/ton)   | 2018/07/13 | Source: Oilworld |       |            | 2018/07/06  |       | 2017/11/13    |      | 2016/12/12   |         |         |         |
| Soya-oil, Arg.   | 666        |                  |       |            |   | -1%   | 675           |      | -13%         | 769     | -1%     | 676     |
| Soya-pell, Arg.  | 382        |                  |       |            |   | 3%    | 371           |      | 13%          | 339     | 4%      | 368     |
| Soybean, Brazil  | 398        |                  |       |            |   | -1%   | 402           |      | -3%          | 410     | -3%     | 410     |
| USA Runner 40/50   | 1360       |                  |       |            |   | 0%    | 1360          |      | -15%         | 1600    | 5%      | 1300    |
| Sun-oil, Arg.  | 718        |                  |       |            |   | 0%    | 715           |      | -5%          | 755     | -10%    | 800     |
| Sun-oil, Black Sea   | 745        |                  |       |            |   | 0%    | 745           |      | -1%          | 750     | -1%     | 750     |
| Sunseed, Black Sea   | 365        |                  |       |            |   | -6%   | 390           |      | -9%          | 400     | -11%    | 409     |
| Rapeseed, EU cif   | 416        |                  |       |            |   | -1%   | 419           |      | -2%          | 425     | 4%      | 399     |
| Palmk oil Mal, EU  | 860        |                  |       |            |   | -1%   | 865           |      | -41%         | 1470    | -17%    | 1037    |
| LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS  |            |                  |       |            |   |       |               |      |              |         |         |         |
| <p><b>Soybeans:</b> The American soybean market has recently been under pressure mainly as a result of the trade war between the US and China with import tariffs placed by China on American soybeans. The weather conditions in the US are also favorable which support good production prospects for the season. The US market that has come under pressure recently has caused the USA to become a very attractive destination for importing soybeans, and countries such as the EU, Vietnam, Mexico, Thailand, Japan and Argentina buy more soybeans from the US. Most of the South American soybeans are currently exported to China and very few soybeans are currently exported from the US to China. Although international soybean prices are still under pressure, soybean meal prices have found support last week in both the futures and cash markets with the international shortage of soybean meal in the international markets. Argentina, which is the largest exporter of soybean meal, has had a difficult season of production that severely put soybean production under pressure and, consequently, the production of soybean meal and oil. Demand for soybean meal and oil in other destinations such as the US has also increased this season. <b>Local:</b> The local soybean market was mainly under pressure last week and traded lower for the day in most of the contract months currently listed.</p> <p><b>Sunflower seed:</b> The weather conditions in large parts of Russia and Ukraine's sunflower producing areas were unfavorable during June and the first part of July, which increased the possibility of a downward adjustment in sunflower seed production prospects for the season. The exports of sunflower oil from Ukraine are mostly in line with the general expectation in the market, which is slightly lower than the previous two years' exports. Exports to India and Iraq are still above the quantities seen in the previous two years, while the biggest reductions in exports were reported to the EU, China and Iran. <b>Local:</b> The local sunflower seed market was also mostly under pressure last week and traded lower for the week in most of the contract months currently listed.</p> <p><b>Canola:</b> There are currently mixed fundamental information in the international canola and rapeseed markets, with the expectation that world exportable stocks should continue to increase while there are severe production deficits in the EU. However, increasing global supplies should eliminate the deficits in the EU this season. However, the canola meal and oil exports from Canada were well in line with the general expectations in the market. <b>Local:</b> In the local market, focus is mainly on production conditions in the Western Cape. Large sections of the Western Cape have already received good rain that is favorable for production this season while other parts have had little rain. The CEC's preliminary planting report of winter grains will be announced later this month.</p> <p><b>Groundnuts:</b> In spite of the lower production for the season in Argentina and also in some of the other major producing countries, the international groundnut market is still relatively quiet. In the EU there is large carryover stocks held in Rotterdam while there is also large carryover stocks in the USA for the season. The expectation is that there will be enough groundnuts for the season in the international context, but the quality thereof remains the biggest factor of concern. As there were many quality problems in this season's production, it could support the international prices of good quality groundnuts. <b>Local:</b> This season in the local market was also a difficult year for groundnuts, and there were locally a lot of poorer quality groundnuts harvested.</p> |            |                  |       |            |   |       |               |      |              |         |         |         |
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