

### Grain SA's Oilseed Market Commentary

GRAINS SA GRAINS SA	DATE	DATE		+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO		
	2017/10/16	2017/10/13		2017/10/09		2017/09/18		2016/10/17		
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	
Brent (\$/b)	57.86	1.28	2.3%	56.58	4.3%	55.50	10.0%	52.59	11.5%	
US\$: ? ZAR	13.29	-0.10%	-0.7%	13.39	-3.0%	13.70	0.9%	13.17	-7.2%	
Corn	R 1 841.66	7.23	0.4%	R 1 834.43	* CBOT Dec cents / bushel + -08 : 00 today vs CBOT Corn Dec + -12 : 00 the previous day					
Wheat	R 2 143.74	28.15	1.3%	R 2 115.59	* CBOT Dec cents / bushel + -08:00 today vs. CBOT Wheat Dec + -12 : 00 the previous day					
Soybean	R 4 883.24	-7.22	-0.1%	R 4 890.46	* CBOT Nov cents / bushel + -08 : 00 today vs. CBOT Soy Nov + -12 : 00 the previous day					
356										
Corn Dec '17	352.00	4.00	1.1%	348.00	1%	350.00	0%	352.00	-10%	
Wheat Dec '17	439.00	9.00	2.1%	430.00	-1%	443.00	6%	416.00	-12%	
Soybean Nov '17	1000.00	6.00	0.6%	994.00	3%	972.00	7%	937.00	2%	
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	2500	-50	-2.0%	2550	-3.8%	2600	-9.1%	2750	NA	
WMAZ SPOT	1856	20	1.1%	1836	-0.4%	1863	-0.2%	1859	-46%	
WMAZ Jul '18	2052	14	0.7%	2038	-0.9%	2071	-1.0%	2072	-23%	
YMAZ SPOT	1957	2	0.1%	1955	-0.8%	1973	-0.8%	1972	-39%	
YMAZ Jul '18	2123	-2	-0.1%	2125	-1.3%	2152	-1.7%	2160	-18%	
SOY 50 SPOT	4745	77	1.6%	4668	0.7%	4710	0.6%	4716	-28%	
SOY May '18	4965	35	0.7%	4930	-0.1%	4970	-0.4%	4987	-19%	
SUN SPOT	4558	-160	-3.4%	4718	-4.0%	4750	-5.4%	4818	-28%	
SUN May '18	4747	-195	-3.9%	4942	-4.4%	4966	-5.8%	5040	-22%	
WHEAT SPOT	4114	-6	-0.1%	4120	-0.4%	4131	-2.3%	4211	-1%	
WHEAT Dec '17	4127	10	0.2%	4117	-0.6%	4152	4.2%	3961	0%	
OILSEED (US\$/ton)	2017/10/13	Source: Oilworld			2017/10/06	May 2017		June 2015		
Soya-oil, Arg.	772				2%	757	0%	769	14%	
Soya-pell, Arg.	325				1%	321	-4%	339	-12%	
Soybean, Brazil	415				0%	413	1%	410	1%	
USA Runner 40/50	1300				0%	1300	-19%	1600	0%	
Sun-oil, Arg.	760				0%	760	1%	755	-5%	
Sun-oil, Black Sea	765				-1%	770	2%	750	2%	
Sunseed, Black Sea	370				0%	370	-8%	400	-10%	
Rapeseed, EU cif	429				0%	427	1%	425	8%	
Palmk oil Mal, EU	1380				5%	1320	-6%	1470	33%	
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS										
<p><b>Soybeans:</b> The soybean production in the USA is reported to be good for the season and that exceeded the expectations that were in the market early in the season. Dry weather conditions in some areas of the largest production regions made some analysts sceptical about the production forecast, but the USDA estimates a large soybean crop for the US this season. In South America there are concerns about the soybean crop for the season as unfavourable weather continues in Brazil and Argentina, the two largest soybean producing countries in South America. The weather conditions there that ranges from being too dry in Brazil to being too wet in Argentina has an enormous impact on the pace of the plantings that take place there. The South American weather will be a major determinant of the international soybean prices with these two countries produces a large portion of the international supply and lower production there could lead to tight supplies early in 2018. Currently there are record old crop soybean supplies available in South America that competes with the US export markets and the US exports for the season might be lower than the USDA forecast for the season which will leave the US with higher expected ending stocks that is estimated currently. <b>Local:</b> The local soybean market trades mixed last week with the market that were under pressure early during the week, but found some support towards the end of the week to close only slightly lower than the levels the market opened on Monday.</p> <p><b>Sunflower seed:</b> The world sunflowerseed production for the season is expected to be lower than the previous expectations and declines by around 1.3 million ton to 48.4 million tons, which is still the second highest world production of all-time. The production estimates that were revised lower from the previous estimate will result in lower than assumed production and export supplies of sunflower seed oil and meal. There are still many uncertainties about the actual size of the crop, but it is increasingly likely that the sunflower seed production in the CIS countries will not be as high as what was expected in the previous estimate. As the harvesting progressed in Russia the yields that are reported is below the expectations and therefore the crop production in Russia for the season was revised slightly lower. In Ukraine the harvesting data that are reported is also poor and the sunflowerseed production in Ukraine is also revised downwards for the season from the previous estimate. The Argentinian production for the season was left unchanged from the previous estimate, but the crop expectation there may also be revised lower if the planting intensions could not be planted fully due to the unfavourable weather conditions in the central parts of the country. In the EU the sunflower seed production for the season are expected to be higher than the initial estimates mainly due to higher production expectations in France and Spain. <b>Local:</b> The local sunflower seed market were mainly under pressure last week and traded lower for the week to close on Friday well below the levels that were seen with market opening on Monday.</p> <p><b>Canola:</b> The harvesting of canola in Canada is nearing completion in the major producing areas with 92% of the harvesting reported to be done which is way better than the 77% done that was reported the same time of the season last year. There is an unusually wide range of canola yields that were reported in these large growing areas with the average yield of the drought affected areas which were around 35- 40% lower than the yields that were achieved in the Northern parts of the country. The official Canadian canola production estimates for the season is 19.71 million tons which is very close to last year's production. The sharply reduced canola ending stocks for the season due to large canola disposals last season are likely to keep the Canadian supplies tight for the season and the disposals are likely to be lower this year. <b>Local:</b> Locally there are still uncertainties about the size of the canola crop for the season. The unfavourable weather conditions in the Western Cape throughout the growing season made the production prospects for the season uncertain. According to the CEC the canola crop for the season is estimated to be 100 800 ton for the season. The harvesting in the Western Cape will be watched closely as this will give an good indication of the yield expectations for the season.</p> <p><b>Groundnuts:</b> The shelled groundnut production for the season in the USA is expected to reach an record level of 2.65 million ton which is around 39% higher than last year's production. Larger crushing capacities will favour an increase of processing into oil and meal and the exports of US groundnuts and groundnut meal is expected in increase for the season. The groundnut production in China has also increased for the season with higher production estimates that are seen there, which may curb the groundnut import demand there. In India the groundnut production for the season are expected to be slightly lower, but the overall world production of groundnuts are expected to be higher for the season. <b>Local:</b> In the final crop estimates for the season which was released by the CEC the groundnut crop was revised around 1.66% higher than the previous estimate and the crop is now estimated on 92 050 ton for the season. It is important for producers to keep in mind that the local consumption of groundnuts is limited and if producers want to plant groundnuts for the season they must consider getting pre-harvest contracts in place rather than to just plant.</p>										
For any queries, please contact: Luan van der Walt , Email: luan@grainsa.co.za										