

Grain SA's Oilseed Market Commentary

GRAIN SA	DATE		DATE		+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO	
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data
Brent (\$/b)	48.94	5.10	1.3%	48.32	4.4%	46.86	3.7%	47.18	4.6%	46.78
US\$: ? ZAR	13.03	-0.670	-1.2%	13.19	-2.6%	13.38	0.5%	12.97	-8.0%	14.29
Corn	R 1 872.32	-137	-6.8%	R 2 009.55	* CBOT Jul cents / bushel + -08 : 00 today vs CBOT Corn Jul + -12 : 00 the previous day					
Wheat	R 2 365.13	-116	-4.7%	R 2 481.41	* CBOT Jul cents / bushel + -08 : 00 today vs. CBOT Wheat Jul + -12 : 00 the previous day					
Soybean	R 4 725.47	-58	-1.2%	R 4 783.49	* CBOT Jul cents / bushel + -08 : 00 today vs. CBOT Soy Jul + -12 : 00 the previous day					
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Corn Jul '17	365.00	11.00	-5.7%	387.00	-0%	382.00	-3%	375.25	-0%	380.25
Wheat Jul '17	494.00	16.00	-3.5%	512.00	-1%	515.00	6%	467.00	-2%	502.00
Soybean Jul '17	987.00	-6.25	0.0%	987.00	-1%	996.00	5%	937.75	-5%	1041.75
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	3174	0	0.0%	3174	0.0%	2700	0.0%	2700	-19%	3200
WMAZ SPOT	1799	-11	-0.6%	1810	0.0%	1854	-8.2%	1728	-59.2%	4485
YMAZ SPOT	1919	-12	-0.6%	1931	0.0%	1976	-8.0%	1854	-38.9%	3348
SOY 50 SPOT	4768	-62	-1.3%	4830	0.0%	4826	-8.9%	4543	-29.7%	7150
SUN SPOT	4654	-52	-1.1%	4706	0%	4726	0%	4522	-31%	5980
WHEAT SPOT	4585	-19	-0.4%	4604	0%	4397	3%	4505	-8%	4560
OILSEED (US\$/ton)	2017/07/14	Source: Oilworld			2017/07/07	May 2017		June 2015		
Soya-oil, Arg.	738	↓	-1%	742	↓	-2%	839	↑	9%	676
Soya-pell, Arg.	314	↓	-1%	316	↓	-0%	348	↓	-15%	368
Soybean, Brazil	417	↑	3%	405	↓	-2%	424	↑	2%	410
USA Runner 40/50	1450	↑	0%	1450	↓	-9%	1600	↑	12%	1300
Sun-oil, Arg.	725	↑	1%	720	↓	-5%	765	↓	-9%	800
Sun-oil, Black Sea	752	↑	1%	748	↓	-4%	780	↑	0%	750
Sunseed, Black Sea	375	↑	1%	370	↓	-5%	400	↓	-8%	409
Rapeseed, EU cif	414	↑	0%	413	↓	-5%	440	↑	4%	399
Palm oil Mal, EU	980	↓	-2%	1000	↓	-3%	1610	↓	-5%	1037
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS										
<p>Market overview: The rand has clawed back some of its losses on Friday and is currently trading 1.2% stronger than Friday midday. While there was a lack of local economic data, the rand's strength can be attributed to the weakening of the dollar on Friday. On the international front, US consumer price index was at 0.1% versus 0.2% of the month prior, while US retail sales fell, with the macroeconomic data placing pressure on the dollar. Emerging markets are currently showing resilience and stability on the back of hawkish major central banks. At the time of writing, the rand was trading at around R13.03 to the dollar. Brent crude oil prices are currently trading higher, the slight increase in oil prices is mainly on the back of a strong China demand and a slowdown in the US output. US oil rig count is still high and the global ample stocks still capped gains in oil prices. At the time of writing, oil prices were trading at around US\$48.94 per barrel.</p> <p>Soybeans: There are currently several bearish factors for the international soybean market in the near to medium terms. These factors includes the following: In China the imports are likely to stagnate in the coming few months as there are currently record high stock levels in China with many shipments that still queuing at the Chinese ports waiting to offload. The Chinese soybean production are also expected to be boosted to around 14.5 – 15.3 million ton for the season. The expectations for the 2017/18 season is that it would likely be the first time in many years that the Chinese imports of soybeans would not increase. In Brazil the planting prospects of soybeans have improved for the 2017/18 season as profitability has improved and more soybean plantings may be seen there for the season. The world production of soybean meal apparently fell short of expectations during the past two months and the recent rise in soybean meal prices have damped the demand for soybean meal which could result in less soybean crushing in the global context. The production and export of palm oil are set to increase in the 2017 calendar year and give some competition for the soybean oil markets. In Ukraine beneficial rain was seen in the central and northern production regions and the crop prospects for the season is looking more favourable there. The international market prices were very volatile last week and posted some large trading ranges as the market swung from bullish to bearish to several info that entered the market such as the latest WASDE report that posted better than expected production forecast for the USA. There are however some factors in the international market that will be watched closely such as the production conditions in the USA that still can cause some spikes in the international market prices should the conditions not be favourable. Local: The local soybean market traded mostly lower last week after it found some good support the previous week to reach levels of just above R5 000/ton and traded at its highest level since early March. The market were mainly under pressure last week as the international market turns bearish and the exchange rate posted some good gains again after it depreciated sharply the previous week. The local prices still remains well below the derived price and the crushing margin is very favourable which is expected to support the rate of crushing to increase.</p> <p>Sunflower seed: In Argentina the sunflower seed plantings for the season are expected to increase as the farmers prefer more hectares of maize, wheat and sunflower seed in expense of soybeans for the season. The sunflower seed plantings in Argentina are expected to increase by between 110 000 and 160 000 ha to between 1.8 to 1.85 million hectares for the season. In Ukraine beneficial rain in the sunflower producing areas that were seen improved the production conditions and the production prospects for the season there. In the latest official trade statistics for May it is confirmed that the sharp increases in Russian sunflower seed exports and sunflower seed oil Russia has become the second largest sunflower seed exporter in the 2016/17 season after being the 8th largest exporter the previous season. Local: The local sunflower seed prices traded mostly lower last week after it found some good support the previous week to reach the highest level since late in February of just over R4 800/ton.</p> <p>Canola: In the international rapeseed and canola markets a bullish scenario is likely to be in the making unless much needed moisture arrives in the major producing areas of Canada and Australia. In Canada the canola crop conditions are worse than last year the same time of the season and in the Southeast 20% of the canola is rated to be in a poor to very poor condition. Local: Locally the canola producers in the Western Cape had some troubles with very dry conditions over the largest parts of the canola producing regions and the germination of the canola was very poor. The first crop estimates for the season of winter grains are released later this month.</p> <p>Groundnuts: The main focus in the international markets are currently on the Argentinian conditions which is still unfavourable for the harvesting process due to wet conditions. An average of 50 – 60% has been harvested up to date. The shipments delays are extended on a weekly basis and the factories are fully booked up to the end of August/September for raw groundnuts and to September/October for blanched groundnuts. In China the market is starting to pick up and the prices starting to firm as there is an interest from buyers again. Local: The local production for the season were favourable with good yields and quality that were reported in most of the producing regions.</p>										
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