

Grain SA's Oilseed Market Commentary

Grain SA GRAIN SA	DATE 2017/06/19		DATE 2017/06/15		+ - WEEK AGO 2017/06/12		+ - MONTH AGO 2017/05/15		+ - YEAR AGO 2016/06/13					
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data				
Brent (\$/b)	48.10	5.10	↑	10.8%	47.18	↓	0.7%	48.45	↓	7.9%	52.23	↓	4.3%	50.27
US\$: ? ZAR	12.81	-0.670	↓	4.9%	12.85	↓	0.4%	12.86	↓	1.6%	13.02	↓	8.6%	15.74
Corn	R 1,936.52	39	↓	2.1%	R 1,897.04									
Wheat	R 2,188.69	106	↓	5.1%	R 2,082.21									
Soybean	R 4,419.75	43	↓	1.0%	R 4,376.89									
356														
Corn May '17	384.00	11.00	↑	2.4%	375.00	↓	-1%	387.00	↑	4%	369.00	↓	-9%	423.75
Wheat May '17	465.00	16.00	↑	5.4%	441.00	↑	4%	445.00	↑	5%	442.00	↓	-13%	533.75
Soybean May '17	939.00	-6.25	↑	1.3%	927.00	↓	0%	941.00	↓	-2%	959.00	↓	-9%	1026.50
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)														
SORGHUM Jul '17	2757	0	↑	0.0%	2757	↑	0.0%	2800	↑	0.0%	3020	↓	-19%	3685
WMAZ SPOT	1741	5	↑	0.3%	1736	↑	0.0%	1768	↓	8.2%	1914	↓	9.2%	5030
YMAZ SPOT	1864	-2	↓	0.1%	1866	↑	0.0%	1897	↓	8.0%	1987	↓	8.9%	3776
SOY 50 SPOT	4510	-2	↓	0.0%	4512	↑	0.0%	4543	↓	8.9%	4500	↓	9.7%	7580
SUN SPOT	4505	39	↑	0.9%	4466	↑	0%	4530	↑	0%	4494	↓	-31%	6450
WHEAT SPOT	4510	0	↑	0.0%	4510	↑	0%	4484	↑	3%	4530	↓	-6%	5171
OILSEED (US\$/ton)	2017/06/19	Source: Oilworld			2017/06/12		May 2017		June 2015					
Soya-oil, Arg.	755				↑	2%	742	↓	-10%	839	↑	12%	676	
Soya-pell, Arg.	302				↓	-3%	311	↓	-13%	348	↓	-18%	368	
Soybean, Brazil	381				↓	-1%	384	↓	-10%	424	↓	-7%	410	
USA Runner 40/50	1650				↑	0%	1650	↑	3%	1600	↑	27%	1300	
Sun-oil, Arg.	717				↑	0%	717	↓	-6%	765	↓	-10%	800	
Sun-oil, Black Sea	734				↑	0%	732	↓	-6%	780	↓	-2%	750	
Sunseed, Black Sea	375				↑	0%	375	↓	-6%	400	↓	-8%	409	
Rapeseed, EU cif	394				↓	-6%	420	↓	-10%	440	↓	-1%	399	
Palmk oil Mal, EU	1040				↓	-1%	1050	↓	-35%	1610	↑	0%	1037	
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS														
<p>Market Overview: The rand is trading slightly stronger than the level seen at Thursday midday, prior to the 3-day weekend. The rand weakened last week at the back of an interest rate hike by the Federal Reserve Bank in the US, who hikes interest by 25 basis points, maintaining forecast for one more hike in 2017. The local currency has since remained in tight range and at the time of writing, it was trading at around R12.81 to the dollar. Brent crude oil prices still remain under pressure and slightly unchanged from the previous week's reported level. Oil prices hit a 6 month low due to rising oil production in the US and an ongoing concern about heavy global supplies. At the time of writing, Brent crude oil was trading at around US\$47.10 per barrel.</p> <p>Soybeans: The disposals of soybeans from the G5 countries increased by 7.5% in April and 3% in May. The exports from Sep 2016 to May 2017 has reached a new record level of 201.3 million ton from Sep 2016 to May 2017. This is 3 million ton higher than the same time of the previous season. China posted the largest growth in soybean imports during this time of the season. The soybean crushing in the US and South America increased only marginally in May following a stagnation in these figures the previous two months. The slower rate of crushing are mainly due to the relative weak demand for soybean meal in comparison to last year the same time of the season. In the US weather forecasts indicated cooler temperatures with expected rainfall which will be favourable for the soybean crop conditions in the US. The latest weekly crop condition report by the USDA will be released later today. The current rating placed the soybean conditions rating of last week was estimated to be 66% good to excellent which is 8% lower than last year's rating of 74% good to excellent at this time of the season. Local: The local soybean market traded slightly lower last week and ended lower for the week than the levels it opened on on Monday. Last week was a short business week with the public holiday on Friday. The price movements that were seen in the markets last week were relatively small and no large price movements were seen in the market last week. The local price still trades below the derived price and the crushing margin are positive. The crushing rate of soybeans will be watched in the new SAGIS figures.</p> <p>Sunflower seed: The sunflower seed plantings in Russia and Ukraine has both exceeded the national estimates. The plantings are expected to be close to or just reach the record levels of last year. In Russia the weather conditions are favourable in the largest parts of the sunflower seed production areas. In Ukraine the drought conditions are intensifying in the Northern parts of the country where the rainfall was sharply below normal in the recent few weeks. The world exports of sun oil continued at an impressive pace in May and set a new monthly record in May despite the seasonal downtrend that were seen during May. The processing of sunflower seed are expected to be 800 000 tons or 12% higher from June 2016 to July 2017. The 2016/17 world sunflower seed crop are also revised higher with an increase of 300 000 tons in Russia. This place the Russian sunflower seed production on a new record high of 11.3 million ton which is 1.1 million ton above the previous record achieved in the 2013/14 season. Local: The local sunflower seed market traded mixed last week with the prices that declined initially during the week, but found some support towards the end of the week and ended the week higher. The local prices also trades below the derived price and the pace of the crushing will be watched in the latest SAGIS report.</p> <p>Canola: The world supplies of rapeseed and canola are expected to remain tight in the 2017/18 season despite the more favourable crop conditions currently in the EU. In Canada the canola crop conditions deteriorated and the tentative Canadian crop estimates are placed on 20 million ton for the season 400 000 ton less than the previous estimate. Although the production estimates for the season are larger than last year the lower carry over stocks will curb the Canadian crushing and exports. The Australian canola crop expectations also deteriorated and the production forecast for Australia are cutted back to 3.9 million ton down from the 4.4 million ton in 2016/17. It is still early in the season and the crop conditions can still improve if sufficient rain occur in the critical growing phases. Local: In the local canola market the focus in the market will mainly be on the weather conditions in the Western Cape. Some rain were received there in certain areas, but more follow up rain will be needed there throughout the season.</p> <p>Groundnuts: According to the latest USDA crop progress report which were released last week the US groundnut plantings were reported to be 95% done. The crop conditions were reported to be 76% good to excellent which is higher than the 72% of the previous week and 70% of last year the same time of the season. The latest USDA crop progress report will be released later today.</p>														
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