

Grain SA's Oilseed Market Commentary

GRAIN SA GRAN SA	DATE	DATE		+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO		
	2018/03/19	2018/03/16		2018/03/12		2018/02/19		2017/03/20		
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	
Brent (\$/b)	65.89	0.72 ↑	1.1%	65.17	1.4%	64.95	0.6%	65.47	27.0%	
US\$: ? ZAR	12.03	0.090 ↑	0.8%	11.94	1.7%	11.83	3.0%	11.68	-5.0%	
Corn	R 1 809.14	-5.27 ↓	-0.3%	R 1 814.40	* CBOT May cents / bushel + -08 : 00 today vs CBOT Corn May + -12 : 00 the previous day					
Wheat	R 2 064.27	-32.82 ↓	-1.6%	R 2 097.08	*CBOT May cents / bushel + -08:00 today vs. CBOT Wheat May + -12 : 00 the previous					
Soybean	R 4 636.86	47.85 ↑	1.0%	R 4 589.01	* CBOT May cents / bushel + -08 : 00 today vs. CBOT Soy May + -12 : 00 the previous day					
356										
Corn May '18	382.00	-4.00 ↓	-1.0%	386.00	-2%	390.75	2%	375.00	-5%	
Wheat May '18	467.00	-11.00 ↓	-2.3%	478.00	-5%	490.75	-1%	471.50	-7%	
Soybean May '18	1049.00	3.00 ↑	0.3%	1046.00	1%	1041.00	2%	1032.50	5%	
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	3300.00	150 ↑	4.8%	3150.00	4.8%	3150.00	10.0%	3000.00	NA	
WMAZ SPOT	1937.00	7 ↑	0.4%	1930.00	-0.8%	1953.00	9.1%	1776.00	-8%	
WMAZ Jul '18	2038.00	6 ↑	0.3%	2032.00	-0.9%	2056.00	7.6%	1894.00	-3%	
YMAZ SPOT	1999.00	-7 ↓	-0.3%	2006.00	-2.4%	2048.00	7.5%	1860.00	-8%	
YMAZ Jul '18	2095.00	1 ↑	0.0%	2094.00	-1.8%	2133.00	7.2%	1954.00	-3%	
SOY 50 SPOT	4599.00	64 ↑	1.4%	4535.00	1.3%	4541.00	3.1%	4459.00	-14%	
SOY May '18	4659.00	41 ↑	0.9%	4618.00	0.6%	4631.00	1.6%	4584.00	-7%	
SUN SPOT	5086.00	176 ↑	3.6%	4910.00	6.0%	4800.00	9.7%	4635.00	16%	
SUN May '18	4885.00	70 ↑	1.5%	4815.00	3.6%	4716.00	5.5%	4631.00	9%	
WHEAT Spot	3736.00	29 ↑	0.8%	3707.00	2.6%	3640.00	5.2%	3550.00	-7%	
WHEAT May '18	3780.00	40 ↑	1.1%	3740.00	2.2%	3697.00	5.1%	3598.00	-8%	
OILSEED (US\$/ton)	2018/03/09	Source: Oilworld			2018/03/09	2017/11/13	2016/12/12			
Soya-oil, Arg.	745	↑	1%	740	-3%	769	10%	676		
Soya-pell, Arg.	412	↓	-3%	424	22%	339	12%	368		
Soybean, Brazil	442	↓	-1%	446	8%	410	8%	410		
USA Runner 40/50	1260	↑	0%	1260	-21%	1600	-3%	1300		
Sun-oil, Arg.	745	↑	1%	740	-1%	755	-7%	800		
Sun-oil, Black Sea	757	↓	0%	760	1%	750	1%	750		
Sunseed, Black Sea	390	↑	0%	390	-3%	400	-5%	409		
Rapeseed, EU cif	425	↑	1%	421	0%	425	7%	399		
Palm oil Mal, EU	1030	↑	7%	960	-30%	1470	-1%	1037		

LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS

Soybeans: The world soybean production are expected to be in a deficit this year compared to the surplus of around 17 million tons which was produced last year. The world deficit are mostly due to the lower South American production as the most severe drought in 40 years are reported in Argentina. The Brazilian production for the season is looking favourable and will probably be higher than last year's record crop which compensates to a certain extend for the losses in Argentina, but the increases in the production that were seen in Brazil, the US, China and Canada are more than offset by the lower production in the other combined South American countries. The soybean disposals from the US are expected to increase from the levels that were seen a year ago between March and August 2018, with large increases in the US exports as the world dependence will start to weigh more heavy in the US stocks. The larger disposals by the US will result in lower stock levels at the end of the marketing season in the US. **Local:** The local soybean market traded mixed last week, but managed to find some support and traded higher for the week to close higher on Friday. The local market is currently mostly following the international market trend.

Sunflower seed: The second half of the 2017/18 marketing season for sunflower seed are expected to be tight due to the lower production in countries like Argentina. The expected world crushing of sunflower seed are expected to decline by around 7% year on year from the same time of the season last year. The sunflower seed processing in Russia has exceeded the expectations this far in the season as the Russian crop was better than the initial expectations. The Russian exportable stocks of sunflower seed oil and meal are however likely to decline in the second half of the 2017/18 marketing season. The estimates for the processing of sunflower seed in Ukraine were left unchanged from the previous estimates, anticipating a significant reduction in the year on year crushing for the second half of the 2017/18 marketing season. **Local:** The local sunflower seed market found some good support last week and traded mostly higher to end of higher on Friday. The local market found some support as there were large sunflower seed crushing that took place last season and the local crop is late due to the planting season that turned out to be later than normal. The local crop is also expected to be lower this season as the area planted are also well below the initial expectations.

Canola: The world canola and rapeseed exports showed record shipments in the first six months of the current marketing season, but are expected to decline in the coming few months mainly due to lower expected exports from Ukraine and Canada and the delays in the start of the Australian canola export programme. The three largest canola exporting countries which account for around 95% of the world exports has sharply dropped below the volumes that were exported three years ago in January with the biggest declines in shipments from Australia and Canada. **Local:** The local production conditions for the season will be watched closely as most of the canola is produced in the Western Cape which is still suffering under the severe drought conditions. The first intentions to plant winter grains will be released in the April report by the Crop Estimates Committee.

Groundnuts: In Argentina the crops in the largest groundnut producing areas are suffering from severe dryness, but so far the damages on the crop is less than the other crops that was planted earlier. The old crop supplies in Argentina are mostly depleted with the 2017 crop that had significant quality problems due to too much moisture during harvesting time. The world production of groundnuts are expected to increase by around 1 million ton in the 2017/18 marketing season mostly due to increases in the production in the US and China. **Local:** Locally the groundnut production for the season is expected to be fairly good with the first crop estimates figure that are higher than the long term average yield. The second crop estimates for the season will be released next week.

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