


Grain SA's Oilseed Market Commentary

	DATE		DATE		+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO	
	2017/03/20		2017/03/17		2017/03/13		2017/02/20		2016/03/21	
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data
Brent (\$/b)	51.43	0.03	↑ 0.1%	51.40	↓ -7.6%	55.68	↓ -7.8%	55.81	↑ 24.0%	41.46
US\$: ? ZAR	12.68	-0.060	↓ -0.5%	12.74	↓ -2.8%	13.05	↓ -3.0%	13.07	↓ -16.9%	15.25
Corn	R 1 832.01	1	↑ 0.1%	R 1 830.65	* CBOT May cents / bushel + -08 : 00 today vs CBOT Corn May + -12 : 00 the previous day					
Wheat	R 2 031.37	-10	↓ -0.5%	R 2 040.98	* CBOT May cents / bushel + -08:00 today vs. CBOT Wheat May + -12 : 00 the previous day					
Soybean	R 4 659.10	-36	↓ -0.8%	R 4 695.19	* CBOT May cents / bushel + -08 : 00 today vs. CBOT Soy May + -12 : 00 the previous day					
Latest CBOT prices during overnight trading (Recorded between 6 a.m. to 07:00 am vs 12:00 pm the previous trading day)										
Corn May '17	367.00	2.00	↑ 0.5%	365.00	↓ -2%	374.00	↓ 0%	368.00	↓ -1%	369.50
Wheat May '17	436.00	0.00	↑ 0.0%	436.00	↑ 1%	433.00	↓ -1%	441.00	↓ -7%	466.50
Soybean May '17	1000.00	-3.00	↓ -0.3%	1003.00	↓ -3%	1027.00	↓ -3%	1032.00	↑ 1%	902.00
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	3055	0	↑ 0.0%	3055	↓ -3.0%	3150	↓ -3.6%	3168	↓ -16%	3650
WMAZ SPOT	2179	33	↑ 1.5%	2146	↓ -8.0%	2369	↓ -25.9%	2940	↓ -54.2%	4762
YMAZ SPOT	2207	10	↑ 0.5%	2197	↓ -4.2%	2303	↓ -21.2%	2802	↓ -33.7%	3330
SOY 50 SPOT	5270	0	↑ 0.0%	5270	↓ -10.7%	5900	↓ -2.9%	6050	↓ -16.4%	6306
SUN SPOT	4420	48	↑ 1.1%	4372	↓ -2%	4490	↓ -10%	4918	↓ -43%	7800
WHEAT SPOT	4071	22	↑ 0.5%	4049	↑ 3%	3960	↑ 3%	3966	↓ -12%	4605
OILSEED (US\$/ton)	2017/03/17	Source: Oilworld			2017/03/10	Apr 2016		March 2015		
Soya-oil, Arg.	700				↓ -6%	748	↓ -17%	839	↑ 4%	676
Soya-pell, Arg.	347				↓ -1%	349	↓ 0%	348	↓ -6%	368
Soybean, Brazil	412				↓ -3%	425	↓ -3%	424	↑ 0%	410
USA Runner 40/50	1650				↑ 0%	1650	↑ 3%	1600	↑ 27%	1300
Sun-oil, Arg.	730				↓ -1%	740	↓ -5%	765	↓ -9%	800
Sun-oil, Black Sea	730				↓ -2%	743	↓ -6%	780	↓ -3%	750
Sunseed, Black Sea	390				↓ -1%	395	↓ -3%	400	↓ -5%	409
Rapeseed, EU cif	446				↓ 0%	447	↑ 1%	440	↑ 12%	399
Palm oil Mal, EU	1218				↓ -3%	1260	↓ -24%	1610	↑ 17%	1037
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS										
<p>Market Overview: This morning, the rand trades slightly stronger than the level seen at Friday midday. This week, major economic data will be released and focus will be on the GDP figures for the fourth quarter of 2016 which are expected to show a contraction after a tough year. At the time of writing, the Rand was trading at R13.05 to the dollar. On the global front, the Pound fell to a 6-week low at the back of data released on Friday showing that overall economic growth may falter this quarter. On the commodities front, Brent crude oil prices are a little higher with the OPEC Secretary General commenting that oil cuts have improved so far but it is too early to say whether production cuts will extend after May. At the time of writing, Brent Crude oil was trading at US\$55.68 per barrel.</p> <p>Soybeans: The combined South American soybean production prospects improved further with better than expected yields that are reported in Brazil and Paraguay, while there is also a crop improvement in Argentina. The combined exports of soybeans from South America have also increased during January and February with Brazilian exports that take the lead. The expectations are that the production might exceed the consumption by around 8 – 10 million tons during this season as there are higher production in South America and the prospects that the US producers might be planting more soybeans this season. This scenario could result in prices pressure of the US soybeans that might fall below the \$10/bushel mark. The expected increase in soybean crushing would result in higher soybean meal and these prices are also likely to come under pressure in the international context. The soybean exports from the US has decreased sharply lately and are below last year's levels for the third consecutive week as the international buyers are doing more business from South America. The US exports are expected to show some increases now early in march as Brazil might see some logistical difficulties in the exports. Local: The local soybean prices traded mostly mixed last week with the prices that found some support early during the week and traded higher, but lost some ground toward the end of the week. The Crop Estimates Committee estimated the soybean crop for the season to be around 1.070 million ton.</p> <p>Sunflower seed: The sunflower seed crushing in Ukraine declined seasonally, but are still above the levels that were seen last year during January and are at record levels. The sun oil exports from Ukraine were around 465 000 tons in January which is lower than what was exported in December, but still remains well above the levels that were exported last year during January to the world markets from Ukraine. In the EU the lower rapeseed stocks levels that are available stimulate the demand for other oilseed meals such as sunflower and soybean meal and the EU imports of sunflower seed meal continues to exceed the levels of a year ago. Local: The local sunflower seed prices were mostly under pressure last week trading lower and ending lower for the week. The expectations by the crop estimates committee are that the sunflower crop for the season are likely to be around 929 000 tons. This is higher production of last year despite the fact that the area planted to sunflower seeds were less this year. Relative large sunflower crops last season and the crushing activities that were slightly lower resulted in large stock levels of sunflower seed which is available in SA and could result on price pressure in the sunflower seed market as the new crop is entering the market.</p> <p>Canola: Cumulative exports of canola and rapeseed from Canada, Australia and Ukraine has increased to 1.6 million tons from November to January which is close to 50% of a record and with by far the most exports that went to the EU and China. The canola exports from Australia have reached a 3 year high of 550 000 ton in January that went almost exclusively to the EU. Local: In the latest crop estimates report the canola production for the season were left unchanged from the previous estimation on 105 460 ton.</p> <p>Groundnuts: The groundnut prices in Rotterdam increased to a 4 year high so far this season and are almost 40% higher than a year ago. Surprisingly large exports have reduced primarily stocks of high quality groundnuts in Argentina. The 2017 crop development in Argentina are a bit slower than normal due to excessive rainfall that fell during January, but the general crop prospects are considered to be mostly favourable for the time being. The possible pressure that might occur due to a favourable crop in Argentina will largely be offset by the large world demand. The world exports of groundnuts were boosted by 19% to a record 2.7 million tons an increase of 1 million ton within 7 years. Insufficient exports from Argentina have pushed the US exports to higher levels mainly on account of a larger import demand from China. Local: In the first crop estimates of summer grain for the season the CEC estimate the local groundnut production on 88 175 ton which is almost 400% higher than last year's production.</p>										
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