

Grain SA's Oilseed Market Commentary

Grain SA	DATE	DATE		+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO		
	2017/04/24	2017/04/21		2017/04/18		2017/03/27		2016/04/25		
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	
Brent (\$/b)	52.23	-0.82	1.5%	53.05	5.7%	55.41	1.6%	51.43	16.7%	
US\$: ? ZAR	13.02	-0.150	1.1%	13.17	5.8%	13.82	5.0%	12.40	0.0%	
Corn	R 1,829.88	-57	3.0%	R 1,887.25	* CBOT May cents / bushel + -08 : 00 today vs CBOT Corn May + -12 : 00 the previous					
Wheat	R 1,937.53	-105	5.1%	R 2,042.12	* CBOT May cents / bushel + -08:00 today vs. CBOT Wheat May + -12 : 00 the previous					
Soybean	R 4,549.61	-91	2.0%	R 4,640.74	* CBOT May cents / bushel + -08 : 00 today vs. CBOT Soy May + -12 : 00 the previous					
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Corn May '17	357.00	-7.00	1.9%	364.00	-1%	359.00	0%	356.00	-11%	
Wheat May '17	405.00	-17.00	4.0%	422.00	-4%	424.00	-4%	424.00	-23%	
Soybean May '17	951.00	-8.00	0.8%	959.00	1%	942.00	-2%	975.00	-4%	
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	3020	0	0.0%	3020	0.0%	3020	-1.1%	3055	-1.7%	
WMAZ SPOT	1852	-29	1.5%	1881	1.2%	2086	5.8%	1750	8.5%	
YMAZ SPOT	1950	-30	1.5%	1980	9.7%	2160	9.9%	1876	7.9%	
SOY 50 SPOT	4705	-71	1.5%	4776	4.8%	4940	1.8%	4791	3.1%	
SUN SPOT	4414	-25	0.6%	4439	-2%	4494	4%	4230	31%	
WHEAT SPOT	4435	46	1.0%	4389	1%	4380	1%	3995	4%	
OILSEED (US\$/ton)	2017/04/21	Source: Oilworld			2017/04/14	Apr 2016	March 2015			
Soya-oil, Arg.	710				3%	692	-15%	839	5%	
Soya-pell, Arg.	315				-1%	317	-9%	348	-14%	
Soybean, Brazil	392				1%	387	-8%	424	-4%	
USA Runner 40/50	1650				0%	1650	3%	1600	27%	
Sun-oil, Arg.	720				-1%	725	-6%	765	-10%	
Sun-oil, Black Sea	720				0%	720	-8%	780	-4%	
Sunseed, Black Sea	375				-3%	385	-6%	400	-8%	
Rapeseed, EU cif	430				-1%	436	-2%	440	8%	
Palmk oil Mal, EU	1000				-6%	1065	-38%	1610	-4%	
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS										
<p>Market Overview: The rand continues to extend gains this morning, trading 1.5% stronger than Friday midday. The rand has eased upon recent economic data last week when the inflation rate slowed and also amid the Finance Minister's finance road show to boost investor confidence. At the time of writing, the Rand was trading at around R13.02 to the dollar. On the international front, the Euro has jumped to a 5-month high against the dollar at the back of the presidential elections showing a runoff between Emmanuel Macron and Marine Le Pen. Brent crude oil has extended losses and is headed for its biggest loss since March. This came at the back of rising US output which has seemed to undermine OPEC's efforts to curb production, placing pressure on Brent crude oil prices. At the time of writing, Brent crude oil was trading at around US\$52.24 per barrel.</p> <p>Soybeans: The international soybean market remain under pressure mainly due to the large stock levels that are seen in the global context with a good soybean crop that are reported in South America is well as large expected plantings of soybeans in the USA that are anticipated for the season there. The spring plantings in the US are accelerating in the Midwest benefitting from a decline in rainfall and mostly drier weather which enable farmers to plant. There are however some reports that indicates more rain over the northern parts of the maize and soybean belt. A one month outlook favours mostly favourable weather conditions for plantings during May. The soybean crushing in the USA has missed the trade forecast that were set for March and declined 2% year in year from last year despite the good crushing margin that are currently seen. The domestic consumption of soybean oil in the USA has also fell short of last year's volumes that were seen in March. Despite the seasonal decline of US soybean exports during this time of the year the market did find some support due to the reserved selling by the Brazilian farmers. Brazil has a record crop this year and had become a large export destination since the harvesting started there. The pace of the soybean exports from Brazil had declined a bit and are expected to miss the trade forecast for April with the exports for the first 16 days of the month that are reported to be 5.3 million ton compared to the 5.7 million ton of last year. Local: The local soybean prices traded mostly lower last week and ended the week lower than it opened on Monday. The local market came under pressure as the rand had strengthened last week after it weakened to some of the weakest levels against the dollar in quite a while due to the current political instability in the country. The local price are still well below the derived soybean price and the local crushing margin are positive currently.</p> <p>Sunflower seed: The sunflower seed oil production and exports in Russia has recovered seasonally in March mainly benefitting from the record sunflower seed crop that were harvested there and the strong world import demand of sunflower seed oil. In the European Union a lack of moisture can have a serious negative impact on crops there. In countries like Spain which had very dry and hot weather conditions lately needs urgent rain for the production of crops where sunflower seed is at risk for lower production due to the unfavourable weather conditions. The decision by the Turkish government to exclude Russia from the list of accepted tax free-free sunflower seed import origin is a uncertainty and that may lead to a diminishing demand for sunflower seed oil from Russia. Local: The local sunflower seed market were also mostly under pressure last week and traded lower for the largest part of the week finishing the week lower than what it opened on Monday. The local sunflower seed price also trades well below the derived sunflower seed price and trades below the export parity price for quite a while.</p> <p>Canola: The Canadian canola stocks has declined rapidly due to the ongoing unusually large disposals. The cumulative canola crushing since early August are up by 800 000 tons and the exports are up by 700 000 ton. This brings the total Canadian canola disposals this far for the season to an all-time high of 14.2 million ton versus the previous high of 12.7 million ton. The high canola prices that are seen boosting the canola planting intentions. The Australian canola exports are picking up noticeably and are expected to rise to 2.2 million ton in January to May 2017 compared with the 1.03 million ton a year ago. The Australian crop are estimated to reach a record level of 4.3 million ton in the 2017/18 marketing season compared to the 2.94 million ton of the previous season. Local: The first intentions to plant of winter grains will be released tomorrow by the National Crop Estimates Committee.</p> <p>Groundnuts: The Argentinian groundnut crop is looking favourable currently and the expectations are that the Argentinian crop may be above the 1 million tons for the first time. This will boost the Argentinian export supplies to a new high of at least 730 000 tons for the season. The early harvesting are under way with 11% of the area already harvested in Cordoba where most of the groundnuts are produced. Good yields are reported this far and the current crop conditions are excellent. The expectations are that the Argentinian exports are likely to increase in the coming few months as the farmers selling are likely to be higher due to the high prices. Local: The local groundnut crop is looking favourable and in many areas where the harvesting has started already good yields are reported.</p>										
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