

GRAINS SA GRAINS SA	Grains SA's Oilseed Market Commentary													
	DATE	2016/10/21		2016/10/17		MONTH AGO		+ - YEAR AGO						
	2016/10/24	2016/10/21		2016/10/17		2016/09/26		2015/10/26						
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data				
Brent (\$/b)	51.59	0.35	↑	0.7%	51.24	↓	-0.6%	51.88	↑	9.3%	47.22	↑	8.9%	47.36
US\$: ? ZAR	13.95	-0.07	↓	-0.5%	14.02	↓	-2.6%	14.32	↑	2.7%	13.58	↑	2.1%	13.66
Corn	R 1,933.12	-10	↓	-0.5%	R 1,942.82	↓								
Wheat	R 2,122.06	-26	↓	-1.2%	R 2,148.16	↓								
Soybean	R 5,038.61	0	↔	0.0%	R 5,038.14	↓								
Latest CBOT prices during overnight trading (Recorded between 6 a.m. to 07:00 am vs 12:00 pm the previous trading day)														
Corn Spot	352.00	0.00	↑	0.0%	352.00	↓	-1%	354.00	↑	7%	329.00	↓	-11%	393.50
Wheat Spot	414.00	-3.00	↓	-0.7%	417.00	↓	-2%	423.75	↓	5%	396.00	↓	-20%	514.75
Soybean Spot	983.00	5.00	↑	0.5%	978.00	↑	0%	978.25	↑	4%	945.25	↑	11%	884.50
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)														
SORGHUM SPOT	3381	-49.00	↓	-1.4%	3430	↓	-1.4%	3430	↓	-0.6%	3400	↑	11%	3040
WMAZ SPOT	3702	84.00	↑	2.3%	3618	↑	7.9%	3432	↓	-1.2%	3747	↑	18.0%	3138
YMAZ SPOT	3241	6.00	↑	0.2%	3235	↑	1.6%	3191	↑	6.9%	3032	↑	12.6%	2878
SOY 50 SPOT	6600	-50.00	↓	-0.8%	6650	↑	0.3%	6580	↑	6.5%	6200	↑	17.4%	5620
SUN SPOT	6400	17.0	↑	0.3%	6383	↑	1%	6328	↑	4%	6130	↑	3%	6241
WHEAT SPOT	4138	37.0	↑	0.9%	4101	↓	0%	4148	↓	-1%	4191	↓	-6%	4424
OILSEED (US\$/ton)	2016/10/21	Source: Oilworld			2016/10/14	Apr 2016		March 2015						
Soya-oil, Arg.	790	↑	3%	767	↑	8%	729	↑	17%	676				
Soya-pell, Arg.	340	↑	2%	334	↑	2%	332	↓	-8%	368				
Soybean, Brazil	413	↑	3%	400	↑	4%	396	↑	1%	410				
USA Runner 40/50	1550	↑	0%	1550	↑	33%	1163	↑	19%	1300				
Sun-oil, Arg.	780	↑	2%	765	↑	1%	771	↓	-3%	800				
Sun-oil, Black Sea	775	↑	2%	760	↓	-3%	797	↑	3%	750				
Sunseed, Black Sea	395	↑	1%	390	↓	-4%	413	↓	-3%	409				
Rapeseed, EU cif	437	↑	2%	427	↑	4%	421	↑	10%	399				
Palmk oil Mal, EU	1375	↑	8%	1275	↑	5%	1304	↑	33%	1037				
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS														
<p>Market: The rand trades around R13.95/\$ this morning slightly stronger than the R14.02/\$ of Friday 12:00. The rand trades relative stable at this level, but there are a few things taking place this week that will contribute to the volatility of the rand. The political situation will be watched closely as the minister of Finance will deliver his medium term budget speech on Wednesday. The actions of the Hawks will be watched closely since any actions against Pravin Gordhan just before the medium term budget speech are likely to be seen as a tactic to interfere with the Finance minister just before the budget speech. The medium term budget speech will be critical as South Africa is in a difficult space and the credit rating agencies will be likely to keep a close eye on the medium term budget speech.</p> <p>Soybean: The US has a record soybean crop and it is harvested more than 60% already. The harvest pressure on the prices is limited by the large global demand and the world dependence on US soybeans. The US exports are estimated reach record high levels of 45.1 million tons from September 2016 to February 2017 and that would be likely to fulfil 73% of the world import demand during this period. With more than 60% of the US soybean crop already harvested the focus will shift more towards the demand side which is extremely high globally. From March to August 2017 the world dependence will be largely on the South American supplies which have to satisfy around 81% of the world import demand. The expected South American soybean production is likely to recover despite the fact that the farmers would reduce the soybean plantings for the first time in 10 years. The weather conditions in South America is unfavourable for the planting of soybeans with dry weather in large parts in central Brazil, while heavy rain were reported in Southern Brazil and in some areas in Argentina which delay the soybean plantings there. The soybean prices will be very sensitive towards any changes and deterioration in the South American soybean crop. China will remain dependent on soybean imports for the 2016/17 season. Local: Large price movements were seen in the local soybean market last week with the soybean prices that showed a lot of volatility. The market closed higher for the week. The market price remains above the derived soybean prices and trades around the Argentinian import parity prices. The crushing margin is still under pressure and the higher soybean prices keeps the crushing margin under pressure.</p> <p>Sunflower seed: The sunflower seed crushing started the first few weeks on the season with a rapid take-off and are expected to exceed the levels of a year ago. This is primarily in the CIS countries where a record crop is in the making and the local crushing capacity that continued to increase in 2016. The estimated world sunflower seed crushing are likely to reach record levels of 11.6 million tons this quarter which exceeds the record levels set a year ago in the same quarter. In the EU the expectations are also that the sunflower seed crushing are likely to increase in the last two months of 2016 due to the higher local production and less competition from rapeseed, which production decreased for the third consecutive year in 2016. The crushing of sunflower seed in other important sunflower producing countries is also likely to increase for the season. The planting of sunflower in Argentina has started in partly suboptimal conditions and some damages in areas which is already planted are reported and some downward revision in the estimated Argentinian crop are likely to occur once the damage has been clarified. In Ukraine the sunflower seed production are likely to be more than the previous forecast and are estimated to reach record levels due to good yields that are reported. There were some excess rain in Ukraine that slowed the harvesting down, but the yields are still favourable to reach the record levels. The sunflower production in Russia is also still expected to reach the record estimated record levels. Local: The sunflower prices traded strongly last week and trades higher for most of the week ending the week higher. The prices showed large movements and the prices trades close to the import parity prices. The local prices trade well above the derived sunflower prices.</p> <p>Canola: The international prices of rapeseed and canola increase sizably in the first three weeks of October due to several reasons. The downward revision of the EU rapeseed crop and decline in farmer's selling contributed to the higher prices as the demand for rapeseed in the EU increase as the biodiesel production from rapeseed increase. In Canada there are concerns that wet weather conditions and snowfall are unfavourable for the Canadian canola production there might be quality and quantity problems in the Canadian canola crop. The world supply of rapeseed and canola are under pressure and should reach an 8 year low. The world imports of rapeseed and canola are expected to remain high this year. Local: The local canola crop conditions in the Western Cape is looking good and the expectations are that the crop which is about to be harvested are likely to be a good crop and good yields are expected.</p> <p>Groundnuts: High yields in key Indian groundnut producing states which are reported will likely increase the Indian groundnut production for the season with 45% from the previous season. This will promote a steep increase in the Indian crushing and exports of groundnuts for the season. The sharply reduced supplies and quality concerns of the Argentinian groundnuts will increase the demand for groundnuts from India, the US and other origins. The US old crop groundnut exports were boosted by 41% from October 2015 to September 2016. The current US groundnut harvesting is estimated to be 54% done. This is higher than the 47% 5 year average at this time of the season. The world shelled groundnut production are estimated to reach a record level of 30 million tons this year which is up 8% from last year's production. Local: The local groundnut production for the season is low and the South Africa has very low stock levels due to the decline in production that were seen locally. This will make SA more dependent on imports for the season.</p>														
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