

## Grain SA's Oilseed Market Commentary

GRAIN SA	DATE 2020/06/01	DATE 2020/05/29		+ - WEEK AGO 2020/05/25		+ - MONTH AGO 2020/05/04		+ - YEAR AGO 2019/06/03		
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data
Brent (\$/b)	37.72	1.61	4.5%	36.11	6.3%	35.50	44.5%	26.11	-38.8%	61.63
US\$: ? ZAR	17.33	-0.150	-0.9%	17.48	-1.3%	17.55	-8.2%	18.88	18.9%	14.58
ΔCBOT Maize 8vm : 12nm*	R 2 221.39	-31.61	-1.4%	R 2 253.01	*CBOT Jul cents / bushel + -08:00 today vs CBOT Corn Jul + -12 : 00 the previous day					
ΔCBOT Wheat 8vm : 12nm*	R 3 315.02	11.13	0.3%	R 3 303.89	*CBOT Jul cents / bushel + -08:00 today vs CBOT Wheat Jul + -12 : 00 the previous day					
ΔCBOT Soy 8vm : 12nm*	R 5 352.68	-87.44	-1.6%	R 5 440.11	*CBOT Jul cents / bushel + -08 : 00 today vs CBOT Soybeans Jul + -12 : 00 the previous day					
Latest CBOT prices during overnight trading (Signed between 06:00 - 07:00 vm 12:00 PM on the previous trading day)										
Corn Jul '20	325.60	-1.80	-0.5%	327.40	2%	318.00	3%	315.40	-28%	455.20
Wheat Jul '20	520.60	6.20	1.2%	514.40	2%	508.60	0%	519.40	-6%	555.00
Sojabone Jul '20	840.60	-6.40	-0.8%	847.00	1%	833.20	1%	836.40	-11%	939.40
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)										
SORGHUM Spot	3161.00	0	0.0%	3161.00	0.0%	3161.00	-1.7%	3215.00	-3.6%	3280.00
WMAZ Spot	2404.00	46	2.0%	2358.00	-14.8%	2823.00	-5.7%	2550.00	-16.7%	2886.00
WMAZ Jul 20	2417.00	42	1.8%	2375.00	0.3%	2410.00	0.1%	2414.00	-18.9%	2982.00
YMAZ Spot	2532.00	32	1.3%	2500.00	-5.0%	2665.00	-0.2%	2538.00	-11.2%	2852.00
YMAZ Jul 20	2543.00	36	1.4%	2507.00	-0.2%	2548.00	-0.1%	2546.00	-11.5%	2872.00
SOY Spot	6350.00	50	0.8%	6300.00	1.0%	6287.00	-2.7%	6524.00	22.1%	5200.00
SOY Jul '20	6400.00	43	0.7%	6357.00	0.7%	6357.00	-2.9%	6588.00	21.7%	5260.00
SUN Spot	5595.00	-12	-0.2%	5607.00	-4.7%	5870.00	-5.6%	5926.00	9.8%	5097.00
SUN Jul '20	5652.00	-33	-0.6%	5685.00	-4.7%	5931.00	-6.5%	6048.00	9.2%	5174.00
WHEAT Spot	5316.00	6	0.1%	5310.00	-4.0%	5540.00	-1.8%	5414.00	19.0%	4466.00
WHEAT Jul '20	5300.00	8	0.2%	5292.00	-1.6%	5387.00	-2.9%	5461.00	18.6%	4470.00
OILSEED (US\$/ton)	2020/05/29	Bron: Oilworld			2020/05/22	2019/03/22	2018/04/30			
Soya-oil, Arg.	626	0.5%	-9%	623	-9%	685	-7%	676	-7%	676
Soya-pell, Arg.	317	-1.6%	-3%	322	-3%	326	-14%	368	-14%	368
Soybean, Brazil	364	0.3%	-4%	363	-4%	379	-11%	410	-11%	410
USA Runner 40/50	1450	-2.0%	12%	1480	12%	1300	12%	1300	12%	1300
Sun-oil, Arg.	740	2.8%	11%	720	11%	665	-8%	800	-8%	800
Sun-oil, Black Sea	760	2.7%	13%	740	13%	675	1%	750	1%	750
Sunseed, Black Sea	415	0.0%	12%	415	12%	370	1%	409	1%	409
Rapeseed, EU cif	410	-0.5%	-2%	412	-2%	417	3%	399	3%	399
Palmk oil Mal, EU	680	7.9%	-6%	630	-6%	720	-34%	1037	-34%	1037

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

**Soybeans:** The US soybean market found support last week and traded stronger for the week. The funds in the US were big buyers of US soybeans last week. The potential for drier weather conditions in parts of the Midwest also provided support to the US soybean market. China also bought US soybeans last week despite the fact that trade disputes between these two countries are still far from resolved. However, Chinese purchases are still significantly lower than under normal circumstances. Brazil's soybean supply is declining rapidly due to the above average soybean exports currently taking place. Most of the Brazilian soybeans are exported to China, where there is currently a strong demand for imports. The large amount of Brazilian soybean exports supports the Brazilian soybean prices, which in turn puts pressure on Brazil's crushing margins as the soybean meal prices do not increase with the soybean prices. Both Brazil and Argentina's soybean processing for the season is expected to be lower than initially anticipated. Lower processing in these two countries results in lower exports of soybean meal and soybean oil. It is expected that the decline in exports from South America will be offset by higher exports from the US. The US soybean processing, as well as soybean meal and oil exports are currently looking good. In general, the world exports of soybean meal have decreased since January 2020. The January to April 2020 exports of soybean meal were down about 10% from the same period in 2019. Exports are expected to remain lower for the rest of the season. even though it should not be as drastically lower as the first 4 months of 2020. In Argentina, the soybean harvesting process is about 97% complete. This is the fastest harvest of Argentine soybeans in the last 9 years. **Local:** The local soybean market mostly found support on Friday and traded stronger for the day in most of the contract months currently listed. For July 2020, the soybean market traded R43/ton higher to close at R6 400/ton.

**Sunflower seed:** In Ukraine, sunflower seed processing decreased seasonally during April, but the year to date sunflower seed processing is about 1.45 million tons more than the previous season's year to date processing. In Russia, sunflower seed processing is expected to be equivalent to the previous season's processing for the same time of year during May to August. The good pace of processing so far this season has caused the sunflower stocks in Russia to fall sharply. The sunflower seed processing was about 1.3 million tonnes higher in April than initially anticipated. In Argentina, sunflower seed processing has dropped to a 4-year low for the 2020 calendar year to date. **Local:** The local sunflower seed market came under pressure on Friday and closed lower for the day in most of the contract months currently listed. The market traded for delivery in July 2020, R33 / ton lower to close at R5 652 / ton.

**Canola:** In Canada, the canola market came under pressure last week and traded lower for the week. The Canadian canola market fell about 2.6% last week in 3 days and is now trading again at the lowest level since the end of April. Tension in Canada-China trade are also continuing, and the canola exports to China are still expected to be low. Canola processing in Canada is still progressing well and April processing was higher than initially expected. The season to date canola processing in Canada stands on a new record. **Local:** The Western Cape received widespread rain last week which is favorable for the crops that have already been planted. However, good follow-up rain will be crucial for producers in the Western Cape, where the canola is grown.

**Groundnuts:** In the international context, stronger demand for groundnuts, coupled with lower production, kept global demand and supply balance sheets under pressure during the 2019/20 season. There is a particularly strong demand for groundnuts in China that have moved from a net exporter to a net importer during the season. Argentina's groundnut exports recovered well this season and are about 42% more than last season's exports. It has also reached its highest level in the last 3 years. **Local:** In the local peanut market, the CEC left the peanut production forecast for the season unchanged from the previous month's forecast. Production for the season is estimated at 62 470 tons.

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