

Grain SA's Oilseed Market Commentary

GRAIN SA GRAIN SA	DATE	DATE			+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO					
	2019/12/02	2019/11/29			2019/11/25		2019/11/04		2018/12/04					
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data				
Brent (\$/b)	60.72	-2.56	↓	-4.0%	63.28	↓	-2.7%	62.38	↓	-2.2%	62.06	↓	-0.7%	61.13
US\$: ? ZAR	14.65	0.030	↑	0.2%	14.62	↓	-0.6%	14.74	↓	-0.9%	14.78	↑	5.9%	13.83
ACBOT Maize 8vm : 12nm*	R 2 140.86	53.88	↑	2.6%	R 2 086.98	*CBOT Dec cents / bushel + -08:00 today vs CBOT Corn Dec + -12 : 00 the previous day								
ACBOT Wheat 8vm : 12nm*	R 2 945.55	107.02	↑	3.8%	R 2 838.53	*CBOT Dec cents / bushel + -08:00 today vs CBOT Wheat Dec + -12 : 00 the previous day								
ACBOT Soy 8vm : 12nm*	R 4 718.70	-19.35	↓	-0.4%	R 4 738.04	* CBOT Jan cents / bushel + -08 : 00 today vs CBOT Soybeans Jan + -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 Dec '19	371.20	8.60	↑	2.4%	362.60	↑	0%	370.50	↓	-3%	383.20	↓	-8%	402.60
Wheat Dec '19	547.20	18.80	↑	3.6%	528.40	↓	3%	531.00	↑	7%	509.60	↓	-1%	553.20
Sojabone Nov '19	876.60	-5.40	↓	-0.6%	882.00	↓	-2%	892.40	↓	-5%	925.60	↓	-8%	955.60
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)														
SORGHUM Spot '19	3469.00	0	↑	0.0%	3469.00	↑	0.0%	3469.00	↑	0.0%	3469.00	↓	-6.2%	3700.00
WMAZ Spot	2841.00	-31	↓	-1.1%	2872.00	↑	3.5%	2744.00	↑	4.7%	2714.00	↑	18.7%	2393.00
WMAZ Mar '20	2881.00	-27	↓	-0.9%	2908.00	↑	4.4%	2759.00	↑	4.2%	2764.00	↑	16.6%	2470.00
YMAZ Spot	2745.00	-6	↓	-0.2%	2751.00	↑	3.4%	2655.00	↑	2.3%	2683.00	↑	15.5%	2376.00
YMAZ Mar '20	2759.00	-4	↓	-0.1%	2763.00	↑	4.0%	2652.00	↑	1.5%	2717.00	↑	13.4%	2433.00
SOY Spot	5954.00	-62	↓	-1.0%	6016.00	↓	-0.6%	5990.00	↑	0.4%	5932.00	↑	27.0%	4690.00
SOY Mar '20	5995.00	-53	↓	-0.9%	6048.00	↑	0.1%	5990.00	↑	0.5%	5965.00	↑	24.1%	4832.00
SUN Spot	5414.00	-95	↓	-1.7%	5509.00	↑	1.2%	5352.00	↓	-1.6%	5500.00	↑	4.7%	5171.00
SUN Mar '20	5551.00	-55	↓	-1.0%	5606.00	↑	1.4%	5472.00	↑	0.1%	5548.00	↑	8.0%	5141.00
WHEAT Spot	4395.00	-10	↓	-0.2%	4405.00	↑	0.6%	4370.00	↓	-0.1%	4401.00	↑	5.0%	4187.00
WHEAT Mar '20	4509.00	-16	↓	-0.4%	4525.00	↑	0.7%	4478.00	↓	-0.9%	4550.00	↑	4.7%	4306.00
OILSEED (US\$/ton)	2019/11/29	Source: Oilworld			2019/11/15		2019/03/22		2018/04/13					
Soya-oil, Arg.	694	↓	-1%	701	↑	1%	685	↑	3%	676				
Soya-pell, Arg.	318	↓	-2%	326	↓	-2%	326	↓	-14%	368				
Soybean, Brazil	369	↓	-2%	378	↓	-3%	379	↓	-10%	410				
USA Runner 40/50	1400	↑	0%	1400	↑	8%	1300	↑	8%	1300				
Sun-oil, Arg.	715	↓	-1%	720	↑	8%	665	↓	-11%	800				
Sun-oil, Black Sea	725	↓	-0.7%	730	↑	7%	675	↓	-3%	750				
Sunseed, Black Sea	370	↑	1%	365	↑	0%	370	↓	-10%	409				
Rapeseed, EU cif	427	↓	-1%	431	↑	2%	417	↑	7%	399				
Palmk oil Mal, EU	830	↑	1%	820	↑	15%	720	↓	-20%	1037				

Soybeans: The US soybean market came under pressure last week and closed about 3% lower for the week. The pressure on the US market is mainly due to international factors. The weather conditions in Brazil have improved, which is favorable to the progress of the plantings and the production conditions. The Brazilian currency has weakened to new lows against the dollar, which has increased Brazilian price competitiveness in international markets, thus putting US prices under pressure. In Argentina, there are still areas where the weather conditions are not favorable for the plantings. Although it is not yet a crisis, the weather will soon have to change to ensure that the plantings can continue in a favorable way. Trade talks between the US and China have yet to continue, and it does not appear that agreements will be reached quickly. There is optimism in the market for the next round of negotiations, but the market will first want to see the real progress rather than respond to the expected progress. Argentine soybean meal exports exceeded expectations during October and combined September and October exports were 18% higher than a year ago. The increased soybean meal exports are due to the increase in world demand for soybean meal. Soybean oil exports also exceeded expectations during September and October, which well supported the processing of soybeans in Argentina. There is currently much uncertainty in Argentina as to what the new government's decisions will be regarding export tariffs on soybean and soybean products. The current tariff system is expected to change to a fixed tariff system and export tariffs will be increased to 35% for soybean and 20% for soybean oil and oilcake. The new government is inaugurated on December 10. **Local:** The local soybean market traded mostly mixed last week, but closed almost unchanged for the week in most of the contract months currently listed. The local planting season has a lot of challenges with the rains that occurred later than normal in the major producing areas and thus delayed the planting.

Sunflower seeds: The harvesting process of sunflower seeds in the US is slowly catching up with the average harvesting rate, but in general it is still significantly slower than the normal rate. The latest production progress report released by the USDA indicated that only 56% of US sunflower seeds have already been harvested compared to the 5 year average rate of 89% completed at the same time of the season. Although the delayed season in the US had a negative impact on sunflower seed production potential, the total extent of yield losses cannot yet be determined with certainty. **Local:** The local sunflower seed market found support last week and traded stronger for the week in most of the contract months currently listed. Minimal sunflower seed plantings occurred this far this season.

Canola: In Canada, canola processing reached a new monthly record of 882 000 tons during October, bringing the year to date processing for the first three months of the year to a new high of 2.48 million tons. In Canada, large old-season supplies, coupled with low canola prices and large world import demand for canola oil and oilcake, stimulated canola processing in Canada in the first 3 months of the marketing season. **Local:** In the local market, canola producer deliveries were around 26% higher in October than last season's producer deliveries during October. Total domestic processing was about 2.8% more than the previous year's total processing during October.

Groundnuts: In the US, the harvesting process of groundnuts is progressing well and according to the latest USDA production progress report, 96% of groundnuts are already harvested. This is more than the 5 year average rate of 94% completed at the same time of the season. **Local:** In the local market there are areas where groundnuts could already be planted this season, but good follow-up rain will now be important in these parts of the country.

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