

## Grain SA's Oilseed Market Commentary

GRAIN SA GRAN SA	DATE	DATE			+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO					
	2018/07/30	2018/08/03			2018/07/30		2018/07/09		2017/08/07					
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data				
Brent (\$/b)	74.74	1.40	↑	1.9%	73.34	↑	0.0%	74.74	↓	-4.4%	78.16	↑	43.5%	52.10
US\$: ? ZAR	13.33	-0.100	▶	-0.7%	13.43	↑	1.1%	13.18	↓	-0.6%	13.41	↑	0.9%	13.21
Corn	R 1 938.52	-1.85	▶	-0.1%	R 1 940.37	↑								
Wheat	R 2 725.21	-38.21	▶	-1.4%	R 2 763.42	↑								
Soybean	R 4 370.92	32.35	▶	0.7%	R 4 338.57	↑								
356														
Corn Jul '18	369.40	2.40	↑	0.7%	367.00	↑	2%	361.00		396.00	354.00	↓	-10%	412.50
Wheat Jul '18	556.40	-3.60	↓	-0.6%	560.00	↑	5%	529.00		522.00	508.00	↑	2%	545.00
Soybean Jul '18	892.40	13.20	↑	1.5%	879.20	↑	2%	875.20		1021.40	855.75	↓	-11%	997.25
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)														
SORGHUM Mar '19	3600.00	0	↑	0.0%	3600.00	↑	0.0%	3600.00	↑	12.5%	3200.00		#VALUE!	NA
WMAZ SPOT	2094.00	-74	↓	-3.4%	2168.00	↑	0.0%	2094.00	↑	4.0%	2014.00	↑	12.8%	1856
WMAZ Sep '18	2132.00	-70	↓	-3.2%	2202.00	↑	0.0%	2132.00	↑	3.1%	2068.00	↓	-0.6%	2144
YMAZ SPOT	2156.00	-68	↓	-3.1%	2224.00	↑	0.0%	2156.00	↑	2.9%	2096.00	↑	9.4%	1970
YMAZ Sep '18	2171.00	-89	↓	-3.9%	2260.00	↑	0.0%	2171.00	↑	0.9%	2152.00	↓	-2.6%	2228
SOY 50 SPOT	4361.00	-9	↓	-0.2%	4370.00	↑	0.0%	4361.00	↑	0.6%	4336.00	↓	-6.5%	4665
SOY Sep '18	4422.00	-6	↓	-0.1%	4428.00	↑	0.0%	4422.00	↓	-0.1%	4426.00	↓	-6.0%	4706
SUN SPOT	4705.00	-85	↓	-1.8%	4790.00	↑	0.0%	4705.00	↑	0.3%	4690.00	↓	-0.9%	4749
SUN Sep '18	4772.00	-83	↓	-1.7%	4855.00	↑	0.0%	4772.00	↓	-0.6%	4800.00	↓	-0.7%	4807
WHEAT Spot	4134.00	-2	↓	0.0%	4136.00	↑	0.0%	4134.00	↑	2.8%	4023.00	↓	-8.3%	4510
WHEAT Sep '18	4170.00	-23	↓	-0.5%	4193.00	↑	0.0%	4170.00	↑	2.4%	4074.00	↓	-5.2%	4398
OILSEED (US\$/ton)	2018/08/03	Source: Oilworld			2018/07/27		2017/11/13		2016/12/12					
Soya-oil, Arg.	645				645	↓	-16%	769	↓	-5%	676			
Soya-pell, Arg.	375				375	↑	11%	339	↑	2%	368			
Soybean, Brazil	415				415	↓	1%	410	↑	1%	410			
USA Runner 40/50	1380				1380	↓	-14%	1600	↑	6%	1300			
Sun-oil, Arg.	725				725	↓	-4%	755	↓	-9%	800			
Sun-oil, Black Sea	748				748	↓	0%	750	↓	0%	750			
Sunseed, Black Sea	363				363	↓	-9%	400	↓	-11%	409			
Rapeseed, EU cif	431				431	↑	1%	425	↑	8%	399			
Palmk oil Mal, EU	885				885	↓	-40%	1470	↓	-15%	1037			
<b>LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS</b>														
<p><b>Soybeans:</b> In the global context of soybeans, the main focus in the markets is still on China and the USA, which in terms of soybeans are largely dependent on each other. China now exports much less soybeans from the USA due to tariffs on imports of American soybeans following the recent trade war that is raging between these two countries. China now imports most of the soybeans from other origins, mostly from South America. The expectation in the market is that even if China imports most of the other exportable soybeans, they will still have about 15 million tons of soybeans shortfall for the season. This means that it has to be imported from the USA or alternatively replaced with other oilseed or oilseed meal. In the US, the old season soybean export sales started to slow down lately, although soybean exports continue to grow well. The recent sharp decline in US soybean prices has made the USA an attractive source for other international importing countries. The expectation in the market is that Argentina's soybean imports from the USA will be higher this season than initially expected and estimated to be about 1.5 million tons between September 2018 and February 2019. In Brazil, it is expected that the soybean plantings in the coming season should be between 1.2 and 1.5 million hectares more than the current season's plantings. This is mainly due to the huge demand for Brazilian soybeans from China. <b>Local:</b> The local soybean market traded mostly mixed last week, but closed more or less at the same price on Friday as it opened on Monday. In last week's weekly producer delivery report the soybean producer deliveries up to 27/07/2018 was reported on 1.470 tons which is around 95% of the crop estimates.</p> <p><b>Sunflower seed:</b> In the international context, the sunflower seed oilcake exportable stocks are relatively limited, leading to the increase in prices and consequently less world trade that has taken place in recent months. During June, sunflower seed oilcake exports from the 3 largest exporting countries, namely Russia, Ukraine and Argentina, fell 20% year on year while it were 13% lower during April and 6% lower during May. The decline in exports of sunflower oilcake is largely attributable to the strong local demand especially in Russia. There is an expectation for the season that sunflower seed oil cake imports to China will increase sharply, which will mainly be obtained from Ukraine. <b>Local:</b> The local sunflower seed market found support last week and traded higher for the week in most of the contract months currently listed. In last week's weekly producer delivery report reported by SAGIS, sunflower seed deliveries were reported to 782 527 tons up to 27/07/2018, which is about 99% of the seasonal crop estimate.</p> <p><b>Canola:</b> In Australia, the production conditions of canola are under pressure this season as the production conditions deteriorated due to insufficient rainfall in many of the major producing areas. Due to this not all the intended areas was planted for the season. Australian canola exports during June had again been low with UAE which was the largest recipient of Australian canola for the month. The low exports that have taken place from Australia so far have caused Australia to still have large canola stocks. In Canada, there are also problems with weather conditions in some areas that are in a critical phase of the production period. <b>Local:</b> In the local market, focus is still largely on production conditions in the Western Cape, which are very mixed. In some areas it looks good while other areas, especially the southern Cape, have had very little rain so far this season.</p> <p><b>Groundnuts:</b> The imports of groundnut oilcake to China for the season are estimated at approximately 130 000 tons for the season, which is about twice the amount imported last year. China tries to make up the shortage of soybean imports with other oilseeds and oilseed meal, of which groundnuts also form part. <b>Local:</b> Locally the groundnut production for the season was very difficult with many quality problems. According to the latest SAGIS figures the producer deliveries 45% of the crop that has already been delivered was choice grade, while 29% and 26% was sundries and crush grade respectively.</p>														
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