

Grain SA's Oilseed Market Commentary

Grain SA GRAIN SA	DATE	DATE			+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO					
	2019/01/07	2019/01/04			2018/12/31		2018/12/10		2017/12/11					
	Data	Δ	Δ%	Data	Δ	Data	Δ	Data	Δ	Data				
Brent (\$/b)	57.31	-2.29	↓	-3.8%	59.60	↓	-5.2%	60.48	↓	-19.3%	71.00	↓	-11.5%	64.73
US\$: ? ZAR	13.94	0.030	↑	0.2%	13.91	↑	1.6%	13.72	↓	-2.7%	14.33	↑	2.3%	13.62
ACBOT Maize 8vm : 12nm*	R 2 101.86	23.14	↑	1.1%	R 2 078.72	↑								
*CBOT Dec cents / bushel + -08:00 today vs CBOT Corn Dec + -12 : 00 the previous day														
ACBOT Wheat 8vm : 12nm*	R 2 648.11	23.08	↑	0.9%	R 2 625.04	↑								
*CBOT Dec cents / bushel + -08:00 today vs CBOT Wheat Dec + -12 : 00 the previous day														
ACBOT Soy 8vm : 12nm*	R 4 658.01	57.05	↑	1.2%	R 4 600.97	↑								
* CBOT Nov cents / bushel + -08 : 00 today vs CBOT Soybeans Nov + -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 '18	383.00	3.40	↑	0.9%	379.60	↑	5%	366.40	↑	4%	369.60	↑	0%	381.50
Wheat Dec '18	517.00	3.40	↑	0.7%	513.60	↑	0%	515.60	↑	3%	502.00	↑	9%	474.25
Soybean Nov '18	909.40	9.20	↑	1.0%	900.20	↑	2%	894.60	↑	4%	875.20	↓	-11%	1017.25
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	3650.00	-50	↓	-1.4%	3700.00	↑	0.0%	3650.00	↑	1.4%	3600.00	↑	28.1%	2850
WMAZ Dec '18	2800.00	99	↑	3.7%	2701.00	↓	-1.8%	2851.00	↑	12.1%	2498.00	↑	30.4%	2148
WMAZ Jul '19	2954.00	100	↑	3.5%	2854.00	↓	-2.1%	3018.00	↑	11.8%	2642.00	↑	28.9%	2292
YMAZ Dec '18	2684.00	29	↑	1.1%	2655.00	↓	-1.7%	2731.00	↑	8.0%	2485.00	↑	20.7%	2223
YMAZ Jul '19	2754.00	24	↑	0.9%	2730.00	↓	-1.7%	2803.00	↑	8.2%	2545.00	↑	17.3%	2347
SOY Dec '18	4730.00	-10	↓	-0.2%	4740.00	↓	-4.3%	4945.00	↑	1.7%	4651.00	↓	-4.2%	4938
SOY Mei '19	4914.00	-35	↓	-0.7%	4949.00	↓	-2.9%	5062.00	↑	2.0%	4816.00	↓	-3.1%	5071
SUN Dec '18	5435.00	-145	↓	-2.6%	5580.00	↓	-7.1%	5850.00	↑	4.0%	5228.00	↑	20.4%	4513
SUN Mei '19	5166.00	2	↑	0.0%	5164.00	↓	-2.3%	5285.00	↑	2.5%	5040.00	↑	12.7%	4585
WHEAT Dec '18	4438.00	-63	↓	-1.4%	4501.00	↓	0.0%	4440.00	↑	1.4%	4375.00	↑	11.6%	3977
WHEAT Mar '19	4542.00	-67	↓	-1.5%	4609.00	↓	-0.7%	4576.00	↑	1.2%	4488.00	↑	10.9%	4096
OILSEED (US\$/ton)	2018/12/07	Source: Oilworld			2018/11/30	2017/11/13	2016/12/12							
Soya-oil, Arg.	614				↓	-3%	631	↓	-20%	769	↓	-9%	676	
Soya-pell, Arg.	330				↑	0%	330	↓	-3%	339	↓	-10%	368	
Soybean, Brazil	379				↑	1%	375	↓	-8%	410	↓	-8%	410	
USA Runner 40/50	1275				↑	2%	1250	↓	-20%	1600	↓	-2%	1300	
Sun-oil, Arg.	620				↓	-3%	640	↓	-18%	755	↓	-23%	800	
Sun-oil, Black Sea	640				↑	1%	635	↓	-15%	750	↓	-15%	750	
Sunseed, Black Sea	345				↑	1%	340	↓	-14%	400	↓	-16%	409	
Rapeseed, EU cif	418				↓	-1%	424	↓	-2%	425	↑	5%	399	
Palmk oil Mal, EU	780				↑	9%	715	↓	-47%	1470	↓	-25%	1037	

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

Soybeans: In the international soybean market the year starts full of uncertainty with prices that found support mainly due to concerns about production expectations in Brazil. Warmer and drier than expected weather conditions weakened the soybean production outlook in Brazil and production should be lower than initially expected. This, together with the low carry-over stocks will cause Brazilian exports to be significantly lower during 2019 than in the previous year. Large amounts of soybeans were exported from Brazil during 2018, mainly to China, as the trade war between the US and China limited trade between these two countries during 2018. In the US there are still large quantities of soybeans available and although trade between the US and China will continue it is expected that it will not really be enough to quickly get rid of the big stocks in the US. However, there are currently many uncertainties regarding the soybean export sales from the US as the US government strikes and the data is not disclosed to the market. The soybean production prospects in Argentina are currently looking good despite the excess rainfall occurring in large parts of the country and where farmers had to replant soybeans. Argentine soybean production is expected to be between 50 and 52 million tons this season. The good production expectations in Argentina, along with the large soybean stocks in the US, should outperform the decline in Brazilian production, and so there will still be enough soybean supplies in the world to meet demand. **Local:** In the local market conditions are still very mixed. Drier and warmer conditions are not favourable for production. In the more eastern parts of the country, production conditions look better while the season in the western parts of the country is very late and only limited plantings took place to date.

Sunflower seed: The sunflower seed prices in the Black Sea region are under pressure and close to a low point. This is mainly due to the good production and lower than expected processing which has led to a sharp increase in stocks in these countries. Russia, in particular, experienced good sunflower production this season, with the harvest reaching 12.6 million tons. In Bulgaria, sunflower seed production for the season also reached a new record, which led to an increase in sunflower seed processing and sunflower oil exports. Turkey has granted 300 000 tons of duty-free sunflower seed imports and this has supported prices. **Local:** In the local market the plantings of sunflower seed is still limited especially in the western parts of the country. The season is late and sunflower seeds in usually the crop which is still planted the latest. Therefore the late season might still force producers to plant more sunflower seeds as the planting window to other crop is over.

Canola: The canola exports from Canada to China have nearly doubled in 2018 with the huge demand for oilseeds in China to try to replace the decline in soybean imports from the US. Exports to other destinations such as Mexico and Pakistan have been lower as these countries have imported more soybeans from the US. Japan's canola imports reached an 8-month high during November, which was mainly imported from Canada. **Local:** The local canola production for the season was pretty good despite challenging conditions prevailing in the Western Cape during harvest time when the strong winds caused damage to the crops.

Groundnuts: In the local market the groundnut plantings for the season is very limited as the weather conditions were mostly unfavourable. During the groundnut planting window it was mostly dry and therefore only limited groundnuts was planted.

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