

Grain SA's Oilseed Market Commentary

GRAIN SA GRAIN SA	DATE	DATE		+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO	
	2019/12/09	2019/12/06		2019/12/02		2019/11/11		2018/12/10	
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%
Brent (\$/b)	64.14	0.93 ↑	1.5%	63.21	5.6%	60.72	2.6%	62.51	6.8%
US\$: ? ZAR	14.60	-0.060 ↓	-0.4%	14.66	-0.3%	14.65	-2.2%	14.93	1.7%
ACBOT Maize 8vm : 12nm*	R 2 105.96	-2.88 ↓	-0.1%	R 2 108.85	*CBOT Dec cents / bushel + -08:00 today vs CBOT Corn Dec + -12 : 00 the previous day				
ACBOT Wheat 8vm : 12nm*	R 2 856.10	-9.58 ↓	-0.3%	R 2 865.69	*CBOT Dec cents / bushel + -08:00 today vs CBOT Wheat Dec + -12 : 00 the previous day				
ACBOT Soy 8vm : 12nm*	R 4 771.26	20.25 ↑	0.4%	R 4 751.01	* 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	366.40	1.00 ↑	0.3%	365.40	-1%	371.20	-3%	377.20	-9%
Wheat Dec '19	532.40	0.40 ↑	0.1%	532.00	-3%	547.20	4%	510.20	-5%
Sojabone Jan '20	889.40	7.40 ↑	0.8%	882.00	2%	870.40	-3%	917.00	-8%
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%
WMAZ Spot	2687.00	16 ↑	0.6%	2671.00	-5.4%	2841.00	3.4%	2598.00	-3.7%
WMAZ Mar '20	2696.00	22 ↑	0.8%	2674.00	-6.4%	2881.00	1.6%	2653.00	-2.9%
YMAZ Spot	2634.00	0 ↑	0.0%	2634.00	-4.0%	2745.00	1.7%	2591.00	0.6%
YMAZ Mar '20	2640.00	-2 ↓	-0.1%	2642.00	-4.3%	2759.00	0.5%	2627.00	-0.8%
SOY Spot	6134.00	14 ↑	0.2%	6120.00	3.0%	5954.00	1.6%	6040.00	26.8%
SOY Mar '20	6099.00	9 ↑	0.1%	6090.00	1.7%	5995.00	0.7%	6055.00	23.1%
SUN Spot	5540.00	30 ↑	0.5%	5510.00	2.3%	5414.00	4.6%	5297.00	2.3%
SUN Mar '20	5615.00	52 ↑	0.9%	5563.00	1.2%	5551.00	4.1%	5393.00	4.5%
WHEAT Spot	4390.00	5 ↑	0.1%	4385.00	-0.1%	4395.00	1.3%	4334.00	2.1%
WHEAT Mar '20	4476.00	-8 ↓	-0.2%	4484.00	-0.7%	4509.00	0.0%	4475.00	1.6%
OILSEED (US\$/ton)	2019/12/06	Source: Oilworld		2019/11/29	2019/03/22	2018/04/13			
Soya-oil, Arg.	717			3%	694	5%	685	6%	676
Soya-pell, Arg.	318			0%	318	-2%	326	-14%	368
Soybean, Brazil	369			0%	369	-3%	379	-10%	410
USA Runner 40/50	1400			0%	1400	8%	1300	8%	1300
Sun-oil, Arg.	720			1%	715	8%	665	-10%	800
Sun-oil, Black Sea	735			1.4%	725	9%	675	-2%	750
Sunseed, Black Sea	375			1%	370	1%	370	-8%	409
Rapeseed, EU cif	442			4%	427	6%	417	11%	399
Palmk oil Mal, EU	885			7%	830	23%	720	-15%	1037

Soybeans: In the international soybean market, the consumption and exports of soybeans from the 6 largest soybean producing countries reached a new record level between September and November 2019. This is more than the general market expectations and this has reduced the international supply. Exports from especially the South American countries as well as Ukraine increased sharply during October and November with China being the largest buyer of soybeans. Although China's processing of soybeans is lower this season, their imports were high, leaving China with surplus soybeans late in the season. There has also been a sharp increase in demand for soybean oil and meal lately. Soybean oil from the US and South America has become more competitive in international markets after the palm oil market has found good support lately. In Argentina, the weather conditions are still unfavorable for the soybeans already planted. It also hinders further planting to take place optimally. Soybean plantings in Argentina are reported to be 49% complete compared to last season's 54% completed at the same time of the season. In Brazil, the weather conditions are now mostly favorable. The season also started out difficult with the plantings that were initially delayed, but the weather started to turn and is now more favorable. There are still some areas where it is quite dry but the outlook for December looks favorable. **Local:** The local soybean market found support last week and traded stronger for the week in most of the contract months currently listed.

Sunflower Seeds: Sunflower seed processing in Russia has begun to gain momentum and the amount of sunflower seed that was crushed during October has reached a new monthly record. The exceptionally high processing and export of sunflower seeds supported the prices of sunflower seeds in Russia. In Ukraine, sunflower seed processing is also taking place at a record pace and it supports the export of both sunflower oil and meal from Ukraine. In the US, the harvest process of sunflower seeds is still significantly slower than the normal rate. The USDA reported that 65% of the US sunflower seed has already been harvested against the 5 year average rate of 94% completed at the same time of the season. **Local:** The local sunflower seed market found support last week and mostly traded stronger for the week in most of the contract months currently listed.

Canola: In Australia, there is currently a lot of uncertainty about the actual size of the crop. Estimates are currently between 1.8 and 2.2 million tons. Australian production for the season is quite low due to adverse weather conditions that prevailed over large parts of the country during the production season. Despite lower Australian production for the season, their exports are still reasonably good with China buying a lot of canola from Australia. **Local:** The local canola production for the season was very variable with the weather conditions in the Western Cape which was unfavorable this season.

Groundnuts: India has a good groundnut harvest this season and it is expected that groundnut exports from India will increase this season. In the USA, the harvesting process of groundnuts was quite good and there were no delays in the harvesting process as with the other crops. **Local:** In the local market, there are parts of the country where the groundnuts could be planted fairly on time. However, good follow-up rain will still be important while other parts of the country have not been able to plant optimally.

For any queries, please contact: Luan van der Walt , Email: luan@grainsa.co.za