

## Grain SA's Oilseed Market Commentary

Grain SA GRAIN SA	DATE	DATE			+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO					
	2019/02/11	2019/02/08			2019/02/04		2019/01/14		2018/02/12					
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data				
Brent (\$/b)	62.05	0.74	↑	1.2%	61.31	↑	0.6%	61.71	↑	2.3%	60.65	↓	-1.4%	62.95
US\$: ? ZAR	13.59	-0.030	▶	-0.2%	13.62	↑	1.7%	13.36	↓	-2.2%	13.90	↑	14.0%	11.92
ACBOT Maize 8vm : 12nm*	R 2 002.01	-24.79	▶	-1.2%	R 2 026.80	*CBOT Mar cents / bushel + -08:00 today vs CBOT Corn Mar + -12 : 00 the previous day								
ACBOT Wheat 8vm : 12nm*	R 2 582.62	3.31	▶	0.1%	R 2 579.32	*CBOT Mar cents / bushel + -08:00 today vs CBOT Wheat Mar + -12 : 00 the previous day								
ACBOT Soy 8vm : 12nm*	R 4 566.03	-13.08	▶	-0.3%	R 4 579.11	*CBOT Mar cents / bushel + -08 : 00 today vs CBOT Soybeans Mar + -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 Mar '19	374.20	-3.80	↓	-1.0%	378.00	↓	-1%	378.20	↓	-1%	378.20	↓	-7%	404.25
Wheat Mar '19	517.20	1.80	↑	0.3%	515.40	↓	-1%	524.20	↓	0%	519.40	↓	-4%	538.75
Soybean Mar '19	914.40	-0.60	↓	-0.1%	915.00	↓	0%	917.60	↑	2%	899.20	↓	-10%	1016.75
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	3820.00	0	↑	0.0%	3820.00	↑	0.0%	3820.00	↑	1.9%	3750.00	↑	27.3%	3000.00
WMAZ Spot	2771.00	-11	↓	-0.4%	2782.00	↑	1.2%	2739.00	↓	-7.5%	2997.00	↑	52.8%	1814.00
WMAZ Jul '19	2888.00	-8	↓	-0.3%	2896.00	↑	0.8%	2865.00	↓	-7.9%	3136.00	↑	32.9%	2173.00
YMAZ Spot	2663.00	-7	↓	-0.3%	2670.00	↑	1.3%	2629.00	↓	-3.1%	2747.00	↑	39.8%	1905.00
YMAZ Jul '19	2704.00	-3	↓	-0.1%	2707.00	↑	1.3%	2670.00	↓	-2.2%	2766.00	↑	22.9%	2200.00
SOY Spot	4752.00	7	↑	0.1%	4745.00	↓	-0.2%	4760.00	↑	0.5%	4730.00	↑	4.8%	4536.00
SOY Mei '19	4875.00	5	↑	0.1%	4870.00	↑	0.6%	4846.00	↓	-0.5%	4901.00	↑	4.5%	4665.00
SUN Spot	5500.00	-25	↓	-0.5%	5525.00	↓	-0.5%	5530.00	↓	-2.6%	5647.00	↑	16.3%	4730.00
SUN Mei '19	5241.00	-79	↓	-1.5%	5320.00	↓	-2.6%	5380.00	↓	-4.0%	5461.00	↑	9.9%	4770.00
WHEAT Spot	4525.00	-3	↓	-0.1%	4528.00	↑	1.5%	4456.00	↑	2.1%	4430.00	↑	24.5%	3635.00
WHEAT Mar '19	4546.00	-10	↓	-0.2%	4556.00	↑	1.2%	4493.00	↑	1.4%	4483.00	↑	22.2%	3721.00
OILSEED (US\$/ton)	2019/02/08	Source: Oilworld			2019/01/25		2017/11/13		2016/12/12					
Soya-oil, Arg.	691	↓	-1%	700	↓	-10%	769	↑	2%	676				
Soya-pell, Arg.	324	↓	-2%	330	↓	-4%	339	↓	-12%	368				
Soybean, Brazil	384	↓	0%	385	↓	-6%	410	↓	-6%	410				
USA Runner 40/50	1300	↑	2%	1275	↓	-19%	1600	↑	0%	1300				
Sun-oil, Arg.	660	↑	2%	650	↓	-13%	755	↓	-18%	800				
Sun-oil, Black Sea	675	↓	-1%	680	↓	-10%	750	↓	-10%	750				
Sunseed, Black Sea	365	↑	3%	355	↓	-9%	400	↓	-11%	409				
Rapeseed, EU cif	429	↓	0%	431	↑	1%	425	↑	8%	399				
Palmk oil Mal, EU	715	↑	0%	715	↓	-51%	1470	↓	-31%	1037				

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

**Soybeans:** The 2018/19 season will be known as the first season in history which has not increased world soybean processing despite the increase in production reported during this season. This caused the world soybean stocks to rise as production has increased faster than its consumption. Most of the world soybean stocks is in the US as the US and China trade war reduced the soybeans exported from the US during the 2018/19 season. China's soybean meal consumption has decreased this season and China has imported less soybeans. This brought South American and American soybean prices closer to each other and adverse weather conditions prevailing in Brazil recently led to a slight premium between Brazilian and American prices. China has, over the past few weeks, started buying American soybeans for the first time in a while which is a positive sign for trade between these two countries. However, the trade agreements is not been resolved yet and the discussions will continue. This will continue to be a key issue in the international soybean market over the next few months. The USDA has released the WASDE report for the first time since last December. In this report, the world soybean stock has been revised downwards to 106 million tons from the December forecast of 115 million tons. World production has been reduced by 9 million tons, with the largest decline reported in Brazil and the US. In spite of the decline in world production and closing stocks, there are still ample soybean stocks available in the world. **Local:** The local soybean market came under pressure last week and closed lower on Friday than it opened on Monday.

**Sunflower Seed:** World sunflower seed oil exports are increasing mainly due to record sunflower seed production and processing in the largest producing countries. The sunflower seed oil exports from Russia were also very limited until November 2018, and so it has started to pick up again, contributing to the increase in global exports. Ukraine has the largest export share of sunflower seed oil among the 3 largest exporters and accounted for 72% of total exports during October to December 2018. **Local:** The local sunflower seed market came under pressure last week and closed lower for the week in most of the contract months currently listed.

**Canola:** The canola stocks in Canada was 680 000 tons more than expected in December, and total stock increased to a new high of 14.55 million tons. This was mainly due to an upward adjustment in the old season stocks announced in the latest report. Canadian canola prices are under pressure due to the huge inventory available and the prospects of not much processing or exports to take place. In Australia the canola stocks is about a third lower than the previous season's stock at the same time of year. This is due to the sharp decline in production for the season. **Local:** In the CEC's 6th production estimate of winter cereals, the canola production for the season remained unchanged from the previous estimate at 103 950 tons.

**Groundnuts:** In the international groundnut market, there are currently many uncertainties and stakeholders in international markets struggling to make informed decisions. It is reported that the major role players, who are mainly international traders, mostly buy from hand to mouth and do not take up large positions. There is still plenty of stocks available in the world at present, although the carry-over stocks for the season should be lower than the previous season's carry-over stocks. It is also expected that US production for the season should be lower than initially expected. The last 20 percent of US crops that were harvested suffered from wet conditions that caused quality problems. **Local:** According to the CEC's preliminary area planted report, the groundnut area for the season was reported to be only 19 200 hectares. This is 65.9% lower than last season's area planted and 61.6% lower than the intentions to plant.

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