

Grain SA's Oilseed Market Commentary

GRAIN SA GRAIN SA	DATE	DATE				+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO	
	2018/11/12	2018/11/09				2018/10/29		2018/10/15		2017/11/13	
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data	
Brent (\$/b)	71.00	0.22	0.3%	70.78	2.3%	72.67	-12.3%	80.94	12.8%	62.97	
US\$: ? ZAR	14.33	0.060	0.4%	14.27	0.1%	14.32	1.0%	14.48	1.0%	14.19	
ΔCBOT Maize 8vm : 12nm*	R 2 085.07	-2.51	0.1%	R 2 087.57						49%	
ΔCBOT Wheat 8vm : 12nm*	R 2 643.22	3.73	0.1%	R 2 639.49	*CBOT Dec cents / bushel + -08:00 today vs CBOT Wheat Dec + -12 : 00 the previous day						
ΔCBOT Soy 8vm : 12nm*	R 4 608.26	78.02	1.7%	R 4 530.23	*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	369.60	-2.00	-0.5%	371.60	0%	371.20	-1%	373.60	-5%	387.25	
Wheat Dec '18	502.00	-1.40	-0.3%	503.40	-1%	508.60	-3%	517.20	0%	502.50	
Soybean Nov '18	875.20	11.20	1.3%	864.00	-1%	887.60	1%	867.40	-11%	988.00	
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	0.0%	3600.00		NA	
WMAZ Nov '18	2502.00	54	2.2%	2448.00	3.1%	2381.00	5.4%	2374.00	20.6%	2074	
WMAZ Jul '19	2642.00	47	1.8%	2595.00	4.4%	2530.00	3.2%	2535.00	18.8%	2224	
YMAZ Nov '18	2470.00	54	2.2%	2416.00	3.6%	2384.00	3.8%	2426.00	13.4%	2179	
YMAZ Jul '19	2545.00	35	1.4%	2510.00	1.4%	2510.00	1.1%	2518.00	10.7%	2299	
SOY Nov '18	4596.00	37	0.8%	4559.00	1.0%	4552.00		NA	-10.4%	5128	
SOY Mei '19	4816.00	28	0.6%	4788.00	0.5%	4790.00	-0.4%	4833.00	-9.6%	5325	
SUN Nov '18	5180.00	53	1.0%	5127.00	2.0%	5080.00	0.7%	5146.00	7.2%	4832	
SUN Mei '19	5040.00	36	0.7%	5004.00	0.0%	5038.00	1.0%	4989.00	0.4%	5018	
WHEAT Nov '18	4331.00	10	0.2%	4321.00	-0.7%	4362.00	-2.1%	4423.00	2.4%	4230	
WHEAT Des '18	4376.00	27	0.6%	4349.00	-1.0%	4420.00	-1.8%	4456.00	2.7%	4260	
OILSEED (US\$/ton)	2018/11/09	Source: Oilworld				2018/11/02		2017/11/13		2016/12/12	
Soya-oil, Arg.	642				-1%	646	-17%	769	-5%	676	
Soya-pell, Arg.	336				-1%	338	-1%	339	-9%	368	
Soybean, Brazil	373				4%	359	-9%	410	-9%	410	
USA Runner 40/50	1250				0%	1250	-22%	1600	-4%	1300	
Sun-oil, Arg.	660				-1%	665	-13%	755	-18%	800	
Sun-oil, Black Sea	648				-1%	655	-14%	750	-14%	750	
Sunseed, Black Sea	342				1%	340	-15%	400	-16%	409	
Rapeseed, EU cif	432				0%	431	2%	425	8%	399	
Palmk oil Mal, EU	670				-13%	770	-54%	1470	-35%	1037	

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

Soybeans: In the international soybean market, the biggest focus is still on the trade war between the US and China, which is not progressing in a constructive way. Chinese imports for the season should be around 13 million tons lower compared with the previous season, while US exports of soybeans will be between 8 and 10 million tons lower than last season's exports. It is expected that the US carryover stocks could be between 26 and 28 million this season, which is very large carryover stocks. The soybean harvesting process is under way in the US and although there were delays in the harvesting process due to adverse weather conditions, US production for the season will still reach a new record. The large soybean stocks in the US will keep the international soybean prices under pressure, unless trade disputes between the US and China are resolved. Other international news reports that soybean plantings in Brazil are progressing well with favorable production conditions. Brazil is also expecting a new record of soybean crop this season with the harvesting that are likely to start about 2 weeks earlier than normal in some regions. This will be beneficial as there are still huge price premiums in the market for South American soybeans over American soybeans for exports to China. Contrary to last year, the carryover stocks of soybeans in Brazil is significantly lower than last year's carryover stocks, as Brazilian exports flowed very strongly to China. **Local:** The local soybean market traded mixed last week and was initially under pressure, but managed to find support and closed slightly stronger on Friday than the market opened on Monday. The local soybean stock levels are still very high, which keeps the price under pressure. In the latest demand and supply figures for the season it is estimated that 31 000 tons of soybean exports will take place this season. These are the first large quantities of soybean exports in a few years.

Sunflower seed: In the EU, sunflower seed prices have reached the bottom of the market and found support from the low levels at which it traded on recently. Although production in both Ukraine and Russia was better than the initial expectations in the market, it seems that the worst harvest pressure on the international sunflower seed market has been over. However, the sunflower oil market is still under pressure due to the large amount of sunflower oil available for exports in the Black Sea region. **Local:** The local sunflower seed market traded mixed last week merged with the near-month contracts that found good support for the week while the far-month contracts closed almost unchanged for the week.

Canola: In Canada the weather has improved over the last two weeks and the harvesting could continue well again. The unfavorable conditions delayed the harvesting, but it is now completed. The exports of canola from Canada are still lower than the general expectations in the market. The total exports reported during August and September were very close to a 5 year low. The biggest decline in exports from Canada was to Japan while the Japanese imports of Australian canola increased sharply. **Local:** In the local market, the canola harvesting continues in the Western Cape. Although the reported yields look good, there are sections where wind damage was negative, which is negative for the yields in these areas.

Groundnuts: In the international market it is expected that global peanut production for the season will reach a 3-year low of 29.4 million tons. It is about 7% lower than the previous season's production. It is also expected that the processing of groundnuts should decrease by about 750 000 tons this season, while exports of raw groundnuts are also expected to decline for the 2nd consecutive year. In the international market, the last year was largely characterized by low stocks in Argentina and Argentine exports of groundnuts decreased by about 30%. This was partly offset by higher exports from Brazil and the USA. **Local:** In the local market there are still many uncertainties about how many groundnuts will be planted this season. In many of the large groundnut producing areas it is still dry and the plantations cannot continue optimally. The plant window for groundnuts is also becoming shorter as the season progresses.

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