

### Grain SA's Oilseed Market Commentary

GRAIN SA GRAIN SA	DATE	DATE				+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO	
	2018/10/15	2018/10/12				2018/10/08		2018/09/17		2017/10/16	
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data	
Brent (\$/b)	80.94	-3.94	-4.6%	84.88	-3.9%	84.19	4.4%	77.52	40.0%	57.83	
US\$: ? ZAR	14.48	0.010	0.1%	14.47	-2.5%	14.85	-2.9%	14.92	8.6%	13.33	
Corn	R 2 129.70	25.40		R 2 104.30	* CBOT Dec cents / bushel + -08 : 00 vandag vs CBOT Mielies Dec + -12 : 00 die vorige dag						
Wheat	R 2 751.76	28.48		R 2 723.27	*CBOT Dec cents / bushel + -08:00 vandag vs CBOT Koring Dec + -12 : 00 die vorige dag						
Soybean	R 4 614.99	21.26		R 4 593.73	* CBOT Nov cents / bushel + -08 : 00 vandag vs CBOT Sojabone Nov + -12 : 00 die vorige dag						
Latest CBOT prices during overnight trading (Signed between 06:00 - 07:00 vm 12:00 PM on the previous trading day)											
Corn Dec '18	373.60	4.20	1.1%	369.40	1%	368.20	7%	348.00	-6%	395.75	
Wheat Dec '18	517.20	5.00	1.0%	512.20	-1%	521.00	2%	506.25	0%	515.00	
Soybean Nov '18	867.40	3.40	0.4%	864.00	0%	869.00	5%	823.50	-14%	1004.75	
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	3600.00	0	0.0%	3600.00	0.0%	3600.00	0.0%	3600.00	#VALUE!	NA	
WMAZ Oct '18	2358.00	-12	-0.5%	2370.00	-1.8%	2402.00	-1.6%	2396.00	25.8%	1874	
WMAZ Jul '19	2535.00	-7	-0.3%	2542.00	-2.1%	2590.00	-0.5%	2549.00	22.8%	2065	
YMAZ Oct '18	2397.00	-4	-0.2%	2401.00	-2.0%	2445.00	-1.3%	2428.00	21.7%	1970	
YMAZ Jul '19	2518.00	-6	-0.2%	2524.00	-2.1%	2573.00	-0.9%	2542.00	17.8%	2138	
SOY Oct '18	4600.00	26	0.6%	4574.00	1.5%	4534.00	-0.2%	4611.00	-3.1%	4745	
SOY Mei '19	4833.00	2	0.0%	4831.00	0.4%	4815.00	-1.4%	4902.00	-2.2%	4940	
SUN Oct '18	5094.00	-26	-0.5%	5120.00	-3.5%	5280.00	-2.3%	5212.00	13.3%	4496	
SUN Mei '19	4989.00	-44	-0.9%	5033.00	-1.9%	5084.00	-2.7%	5127.00	6.7%	4674	
WHEAT Oct '18	4390.00	0	0.0%	4390.00	-1.3%	4450.00	-1.1%	4438.00	6.0%	4142	
WHEAT Des '18	4437.00	-33	-0.7%	4470.00	-2.5%	4549.00	-2.3%	4542.00	7.1%	4144	
OILSEED (US\$/ton)	2018/10/12	Source: Oilworld				2018/09/28		2017/11/13		2016/12/12	
Soya-oil, Arg.	663				0%	665	-14%	769	-2%	676	
Soya-pell, Arg.	346				1%	341	2%	339	-6%	368	
Soybean, Brazil	405				0%	405	-1%	410	-1%	410	
USA Runner 40/50	1330				0%	1330	-17%	1600	2%	1300	
Sun-oil, Arg.	675				-1%	685	-11%	755	-16%	800	
Sun-oil, Black Sea	670				-2%	685	-11%	750	-11%	750	
Sunseed, Black Sea	340				-1%	345	-15%	400	-17%	409	
Rapeseed, EU cif	431				-1%	436	1%	425	8%	399	
Palmk oil Mal, EU	800				-4%	830	-46%	1470	-23%	1037	

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

**Soybeans:** The expectations for the new season is that South American soybean production should be about 22 million tons more than the previous season's production, with a total estimated at 190.4 million tons. The increase expected in South American production is largely driven by the high demand for South American soybeans in China, which causes huge premiums for South American soybeans to be paid in international contexts. Argentina's production will also be considerably more than last season's production, which contributes to the sharp year-on-year increase. Argentinians production has fallen heavy during the previous season under dry conditions that put the soybean production under pressure for the season. Although the USDA last week, against all expectations, slightly adjusted US soybean production lower for the season, they still adjusted the US soybean stocks higher in the same estimate. This is largely due to the large carryover stocks which the USA will have this season as a result of the more limited exports that took place to China. US production for the 2018/19 season is still expected to reach new record with good yields reported so far. The soybean harvesting process in the USA has progressed well for the first few weeks, but in the last two weeks weather conditions were not favorable for the harvesting process. Cold and wet conditions in large parts of the USA's production areas caused the harvesting process to be delayed over the past two weeks. Chinese soybean imports for the season are significantly lower than the previous season's imports and it is clear that the demand for soybeans is very strong in China. The purchasers bought up for the 3rd consecutive week all state reserve soybeans offered at the respective weekly auctions. **Local:** The local soybean market traded mixed last week and initially found good support during the week and traded higher before it came under pressure as the week progresses to close almost unchanged for the week. The exchange rate was one of the biggest drivers of local prices last week and the exchange rate was very volatile. It only weakened before it strengthened well after the end of the week.

**Sunflower seed:** The sunflower seed production in Russia and Ukraine has recovered well for the 2018/19 season and higher production and stocks has caused the processing of sunflower seeds in these countries for the season to increase. The processing showed particularly good increases and the exports of sunflower oil and meal from Ukraine is higher. The sunflower seed harvesting process in Ukraine was reported at 87% done by the end of last week with 11.6 million tons already harvested. Last season at the same time of the year, 9.7 million tons were already harvested. The average yield reported so far is 2.2 tons / ha compared with 1.9 tons / ha last season. In Russia, approximately 47% of the sunflower seed has already been stripped of the average yield reported so far, which is lower than the previous season's yield. **Local:** The local sunflower seed market was mostly under pressure last week and traded lower for the week in most of the contract months currently listed. In last week's weekly producer's delivery report it was reported that 149 tons of sunflower seed was delivered with the total for the season reported at 851 881 tons.

**Canola:** In Canada, weather conditions for the first part of October were still unfavorable and this delayed the harvest process of canola. The harvesting process for the season is reported at 61% completed, which is significantly slower than last season at the same time of year. The average yields reported so far this season is, however higher than the yield of a year ago. The canola exports were 25% lower than last year's exports during August, and it was at a 5-year low for the month. The biggest decline in Canadian canola exports was to Japan, Mexico and the UAE. **Local:** Locally the harvesting process of canola has started in some areas of the Western Cape. The current feedback is that the yields for the season is very good in those areas where the harvesting has started.

**Groundnuts:** In the USA, the harvesting process of groundnuts is under way and in last week's weekly USDA estimate the harvesting process was reported to be 33% done. This is better than the 5-year average harvesting rate of 31% completed at this time of the season. The peanut production conditions were 70% good to excellent, which is 1% lower than the previous weeks estimate of 71% good to excellent. The production conditions at the same time of the season last year was reported on 72% good to excellent. **Local:** In the local market the planning needs to be done for the new season's plantings and the weather conditions will be watched closely especially in the next few weeks.

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