

Grain SA's Oilseed Market Commentary

GRAIN SA GRAIN SA	DATE	DATE		+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO	
	2020/02/17	2020/02/14		2020/02/10		2020/01/20		2019/02/18	
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%
Brent (\$/b)	57.15	0.69	1.2%	56.46	5.5%	54.15	-13.0%	65.67	-13.8%
US\$: ? ZAR	14.84	0.010	0.1%	14.83	-1.1%	15.01	2.7%	14.45	5.0%
ACBOT Maize 8vm : 12nm*	R 2 206.01	-9.02	-0.4%	R 2 215.04	*CBOT Mar cents / bushel + -08:00 today vs CBOT Corn Mar + -12 : 00 the previous day				
ACBOT Wheat 8vm : 12nm*	R 2 958.67	-6.72	-0.2%	R 2 965.40	*CBOT Mar cents / bushel + -08:00 today vs CBOT Wheat Mar + -12 : 00 the previous day				
ACBOT Soy 8vm : 12nm*	R 4 872.59	-10.88	-0.2%	R 4 883.48	* 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 '20	377.60	-1.80	-0.5%	379.40	-2%	383.40	-3%	389.20	-7%
Wheat Mar '20	542.60	-1.60	-0.3%	544.20	-3%	558.60	-5%	570.40	0%
Sojabone Mar '20	893.60	-2.60	-0.3%	896.20	1%	882.00	-4%	929.00	-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	3215.00	0	0.0%	3215.00	0.0%	3215.00	-7.3%	3469.00	-15.8%
WMAZ Spot	2813.00	-84	-2.9%	2897.00	-9.3%	3100.00	-4.7%	2952.00	4.3%
WMAZ Mar '20	2768.00	-82	-2.9%	2850.00	-9.5%	3060.00	-5.0%	2915.00	-6.2%
YMAZ Spot	2639.00	-40	-1.5%	2679.00	-8.3%	2878.00	-6.7%	2830.00	1.3%
YMAZ Mar '20	2638.00	-43	-1.6%	2681.00	-8.0%	2866.00	-6.4%	2817.00	-5.5%
SOY Spot	5930.00	-15	-0.3%	5945.00	-0.8%	5980.00	-2.2%	6064.00	23.5%
SOY Mar '20	5862.00	-8	-0.1%	5870.00	-1.0%	5920.00	-2.7%	6024.00	21.1%
SUN Spot	5273.00	-68	-1.3%	5341.00	-4.1%	5497.00	-7.1%	5677.00	1.0%
SUN Mar '20	5268.00	-72	-1.3%	5340.00	-4.7%	5528.00	-7.5%	5696.00	1.9%
WHEAT Spot	4712.00	-23	-0.5%	4735.00	-0.4%	4730.00	3.4%	4555.00	5.4%
WHEAT Mar '20	4705.00	-45	-0.9%	4750.00	-0.7%	4736.00	3.2%	4560.00	4.9%
OILSEED (US\$/ton)	2020/02/14	Source: Oilworld		2020/02/07	2019/03/22	2018/04/30			
Soya-oil, Arg.	734			-1%	739	7%	685	9%	676
Soya-pell, Arg.	334			1%	330	2%	326	-9%	368
Soybean, Brazil	377			1%	374	-1%	379	-8%	410
USA Runner 40/50	1500			0%	1500	15%	1300	15%	1300
Sun-oil, Arg.	745			-2%	760	12%	665	-7%	800
Sun-oil, Black Sea	725			-2.0%	740	7%	675	-3%	750
Sunseed, Black Sea	410			0%	410	11%	370	0%	409
Rapeseed, EU cif	437			-2%	447	5%	417	10%	399
Palmk oil Mal, EU	810			-6%	865	13%	720	-22%	1037

Soybeans: In the international soybean market, the fundamental market information released during February was mostly positive for the supply side, but negative for the international prices. The production forecast in South America has been adjusted upwards with good yields in both Brazil and Argentina. Brazil is expected to have a new record soybean crop of between 125 and 126 million tonnes this season, while the latest estimate for Argentina's production is between 54 and 55 million tonnes. The US soybean market rebounded slightly last week and closed higher for the week after the latest WASDE report indicated that the US closing stocks for the season should be significantly lower than the previous forecast. However, there is currently uncertainty in the market whether this will materialize as exports to China will have to increase significantly. Although preliminary trade agreements have been signed between the US and China, China is still importing the majority of their soybeans from Brazil and this is putting US exports under pressure. In Argentina, processing of soybeans takes place at a slow rate due to lower producers sales and limited capacity at the plants. This makes Argentina's exportable supply of soybean oil and meal lower than normal at this time of the season. However, the lower processing in Argentina will cause the soybean supplies in Argentina to be significantly higher than normal by this time of the season, and the new harvest season has already started in Argentina. **Local:** The local soybean market traded mixed last week, but closed almost unchanged to slightly lower for the week in most of the contract months currently listed.

Sunflower seed: Russian sunflower seed and sunflower oil exports were, according to expectations, very high during December, and the trend continued in January 2020, as well. Most of Russia's exports are shipped to Turkey, the EU and China. Sunflower oil exports from Ukraine were also higher than expectations during January, while sunflower meal exports also exceeded expectations. The sunflower meal exports from Ukraine are mainly driven by the large stockpile available. Most of the sunflower meal exports were shipped to China and India. **Local:** The local sunflower seed market came under pressure last week and closed lower for the week.

Canola: In Canada, the production of chicken and red meat is increasing and it supports the consumption of oilseed meal in Canada. Canada has large quantities of canola available due to lower than normal exports, especially to China, so Canadian canola prices are relatively cheap. Canada's canola meal consumption reported a fairly good growth, which offset the decline in soybean meal. **Local:** The local canola production for the season is 96 200 tons.

Groundnuts: In the international context, the focus is still largely on the demand side. China's imports of peanut and peanut products have increased sharply in recent times and continue to support the international peanut market. **Local:** In the local market, 37 100 tons of groundnuts are planted for the season. In general, the production conditions look pretty good so far.

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