

Grain SA's Oilseed Market Commentary

Grain SA GRAIN SA	DATE	DATE		+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO		
	2019/08/19	2019/08/16		2019/08/12		2019/07/22		2018/08/20		
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	
Brent (\$/b)	58.22	0.97 ↑	1.7%	57.25	-0.2%	58.35	-8.2%	63.39	-19.5%	72.30
US\$: ? ZAR	15.22	0.060 ↑	0.4%	15.16	-0.3%	15.26	9.4%	13.91	5.5%	14.43
ΔCBOT Maize 8vm : 12nm*	R 2 222.96	70.83 ↑	3.3%	R 2 152.12	*CBOT Sep cents / bushel + -08:00 today vs CBOT Corn Sep + -12 : 00 the previous day					
ΔCBOT Wheat 8vm : 12nm*	R 2 631.78	19.29 ↑	0.7%	R 2 612.49	*CBOT Sep cents / bushel + -08:00 today vs CBOT Wheat Sep + -12 : 00 the previous day					
ΔCBOT Soy 8vm : 12nm*	R 4 849.72	70.37 ↑	1.5%	R 4 779.36	*CBOT Aug cents / bushel + -08 : 00 today vs CBOT Soybeans Aug + -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 Sep '19	371.00	10.40 ↑	2.9%	360.60	-4%	385.20	-12%	422.20	-7%	400.00
Wheat Sep '19	470.60	1.60 ↑	0.3%	469.00	0%	471.60	-3%	487.20	-21%	592.40
Soybean Aug '19	867.20	9.20 ↑	1.1%	858.00	0%	866.60	-3%	894.00	-7%	932.00
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)										
SORGHUM	3280.00	0 ↑	0.0%	3280.00	0.0%	3280.00	0.0%	3280.00	-8.9%	3600.00
WMAZ Spot	2933.00	10 ↑	0.3%	2923.00	-3.3%	3032.00	2.5%	2862.00	25.9%	2329.00
WMAZ Sep '19	2949.00	7 ↑	0.2%	2942.00	-3.8%	3065.00	1.3%	2911.00	25.9%	2343.00
YMAZ Spot	2768.00	-3 ↓	-0.1%	2771.00	-4.4%	2896.00	0.6%	2752.00	15.1%	2405.00
YMAZ Sep '19	2779.00	-4 ↓	-0.1%	2783.00	-5.1%	2928.00	-0.9%	2803.00	14.9%	2419.00
SOY Spot	5682.00	-33 ↓	-0.6%	5715.00	-2.0%	5800.00	7.0%	5310.00	23.5%	4599.00
SOY Sep '19	5676.00	-42 ↓	-0.7%	5718.00	-2.0%	5792.00	6.1%	5350.00	22.8%	4621.00
SUN Spot	5487.00	-1 ↓	0.0%	5488.00	-1.0%	5544.00	9.6%	5005.00	9.4%	5015.00
SUN Sep '19	5526.00	3 ↑	0.1%	5523.00	-1.2%	5592.00	8.5%	5091.00	9.8%	5031.00
WHEAT Spot	4717.00	67 ↑	1.4%	4650.00	2.8%	4590.00	4.8%	4502.00	8.9%	4330.00
WHEAT Dec '19	4683.00	14 ↑	0.3%	4669.00	1.9%	4597.00	4.1%	4500.00	7.5%	4355.00
OILSEED (US\$/ton)	2019/08/16	Source: Oilworld			2019/08/09	2019/03/22	2018/04/13			
Soya-oil, Arg.	678	↑	2%	665	-1%	685	0%	676		
Soya-pell, Arg.	302	↓	-2%	309	-7%	326	-18%	368		
Soybean, Brazil	366	↑	1%	363	-3%	379	-11%	410		
USA Runner 40/50	1300	↑	0%	1300	0%	1300	0%	1300		
Sun-oil, Arg.	740	↑	0%	740	11%	665	-8%	800		
Sun-oil, Black Sea	765	↓	-1%	773	13%	675	2%	750		
Sunseed, Black Sea	332	↓	-1%	337	-10%	370	-19%	409		
Rapeseed, EU cif	420	↑	1%	416	1%	417	5%	399		
Palmk oil Mal, EU	605	↑	3%	585	-16%	720	-42%	1037		

Soybeans: Although international soybean production for the 2019/20 season should decrease by approximately 17.2 million tons from the previous season's production, sufficient supplies will still be available. There are still many uncertainties in terms of the season's soybean production expectations, with the biggest one probably being the weather in the Northern Hemisphere for the next 4 to 8 weeks. The large international supplies are mainly due to the large soybean carry over stocks after US exports were significantly lower than normal during the 2018/19 season. The market also expects that South America would plant around 60 million hectares of soybean for the 2019/20 season, which will be the largest area planted to date in South America. If the weather in South America is fairly normal and average yields is obtained, South American production could be about 6 million tons more than last season's production. The expected decline in soybean production in the Northern Hemisphere will make the world more dependent on Southern Hemisphere countries for import purposes. Therefore the South American weather conditions will be very critical for the 2019/20 season and they will need to have good production. In terms of world consumption, it is expected to exceed production for the season by approximately 9 million tons, which will cause the closing stocks to decline slightly at the end of the 2019/20 season from the expected record closing stock at the end of the 2018/19 season of 110 million tons. **Local:** The local soybean market was mostly under pressure last week and closed lower for the week in most of the contract months currently listed.

Sunflower seeds: In Russia and Ukraine, weather conditions have been very favorable over the past few weeks with normal temperatures and rains occurring at the right times. This was mainly at an important time for the sunflower seed season and it slightly improved production expectations in these countries from the previous month's estimate. Expected sunflower seed production in Ukraine is 15.1 million tons and expected production in Russia about 12.9 million tons. World sunflower seed production for the season is estimated at 52.6 million tons, which is equivalent to the previous world record production. The good world production combined with the relatively high ending stocks for the season will bring the world sunflower seed stock for the 2019/20 season to a new high of 56.5 million tons. Sunflower seed processing in countries such as Russia, the EU and Turkey is expected to increase this season. **Local:** The local sunflower seed market came under pressure last week and closed lower for the week.

Canola: In the EU, the analysts are of the opinion that canola prices are still undervalued at this time, as there should be a fairly large canola shortage in the EU this season. The latest official data shows that the canola area harvested this season in Germany, France and the Czech Republic will be lower than the previously estimated area. Yield expectations in these countries are also lower than the previous forecast and the EU's canola production for the season is estimated at 17.1 million tons, which is 14% lower than last season's production. In Canada, there are still large quantities of canola available that keep Canadian canola prices under pressure. Canadian canola processing and exports are expected to increase during the 2019/20 season. This will mainly be fueled by the lower prices and large quantities of available stock. **Local:** In the local market, canola production conditions in the Western Cape seem to be fairly mixed. In some areas it looks good while other areas still need urgent rain.

Groundnuts: The world groundnut production is estimated at 29.6 million tons for the 2019/20 season, which is 0.3% more than last season's production. Although the production is estimated to be slightly higher than last season's production, it is still relatively low and the world processing of peanuts is expected to decline this season. This could cause the peanuts to lose further market share in the direct food markets. In the USA, the expected production for the season is at a 5 year low and 3% less than the previous season's production. In Argentina, groundnut production was favorable for the season and Argentina achieved a new record crop for the season. **Local:** In the local market this season has been a very poor peanut production year. Low production has again put South Africa in a very strong net import situation and currently this trend looks likely to continue in the coming season.

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