

Grain SA's Oilseed Market Commentary

Grain SA GRAIN SA	DATE	DATE		+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO	
	2020/01/20	2020/01/17		2020/01/13		2019/12/02		2019/01/21	
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%
Brent (\$/b)	65.67	1.03	1.6%	64.64	1.3%	64.84	7.9%	60.87	5.7%
US\$: ? ZAR	14.45	0.010	0.1%	14.44	1.0%	14.30	-0.6%	14.53	4.3%
ACBOT Maize 8vm : 12nm*	R 2 214.03	79.98	3.7%	R 2 134.05	*CBOT Mar cents / bushel + -08:00 today vs CBOT Corn Mar + -12 : 00 the previous day				
ACBOT Wheat 8vm : 12nm*	R 3 028.52	29.69	1.0%	R 2 998.83	*CBOT Mar cents / bushel + -08:00 today vs CBOT Wheat Mar + -12 : 00 the previous day				
ACBOT Soy 8vm : 12nm*	R 4 932.49	29.94	0.6%	R 4 902.55	* 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	389.20	13.80	3.7%	375.40	1%	385.60	2%	382.00	-6%
Wheat Mar '20	570.40	5.20	0.9%	565.20	1%	564.40	7%	535.20	2%
Sojabone Mar '20	929.00	5.00	0.5%	924.00	-1%	935.00	5%	885.20	-4%
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	3469.00	254	7.9%	3215.00	0.0%	3469.00	0.0%	3469.00	-7.5%
WMAZ Spot	2952.00	52	1.8%	2900.00	4.3%	2829.00	7.2%	2755.00	-6.4%
WMAZ Mar '20	2915.00	43	1.5%	2872.00	4.8%	2782.00	4.2%	2798.00	-10.1%
YMAZ Spot	2830.00	14	0.5%	2816.00	4.7%	2703.00	3.9%	2723.00	0.8%
YMAZ Mar '20	2817.00	4	0.1%	2813.00	3.9%	2712.00	2.6%	2746.00	-1.0%
SOY Spot	6064.00	-16	-0.3%	6080.00	-5.3%	6400.00	2.0%	5944.00	23.0%
SOY Mar '20	6024.00	-1	0.0%	6025.00	-4.8%	6325.00	0.7%	5984.00	20.4%
SUN Spot	5677.00	0	0.0%	5677.00	5.0%	5406.00	4.2%	5450.00	-3.8%
SUN Mar '20	5696.00	2	0.0%	5694.00	3.8%	5490.00	2.7%	5547.00	-2.8%
WHEAT Spot	4555.00	10	0.2%	4545.00	2.1%	4460.00	3.9%	4386.00	2.5%
WHEAT Mar '20	4560.00	1	0.0%	4559.00	1.6%	4489.00	1.3%	4500.00	1.8%
OILSEED (US\$/ton)	2020/01/17	Source: Oilworld		2020/01/10	2019/03/22	2018/04/13			
Soya-oil, Arg.	805			-4%	838	18%	685	19%	676
Soya-pell, Arg.	340			1%	338	4%	326	-8%	368
Soybean, Brazil	390			-2%	398	3%	379	-5%	410
USA Runner 40/50	1500			0%	1500	15%	1300	15%	1300
Sun-oil, Arg.	800			0%	800	20%	665	0%	800
Sun-oil, Black Sea	800			-1.2%	810	19%	675	7%	750
Sunseed, Black Sea	415			-2%	425	12%	370	1%	409
Rapeseed, EU cif	459			-1%	464	10%	417	15%	399
Palmk oil Mal, EU	970			-6%	1030	35%	720	-6%	1037

Soybeans: The processing and export of soybeans from the USA, the 4 largest South American countries and Ukraine increased significantly in the last few months of 2019 compared to the same time of year during 2018. The largest increase in processing and exports of soybeans during this period were in Argentina, with the Argentine processing reaching the second highest monthly processing in history during December. In Argentina, there are areas that are still very dry and this impedes the planting of the follow-up soybean crop in these areas. The Argentine area planted this season is expected to be approximately 300 000 hectares less than initially anticipated. It also creates the expectation that Argentine production for the season may be smaller than the previous forecast of 53 million tonnes. In Brazil, the soybean harvesting process has begun, but it is significantly slower than normal. It is estimated that about 0.4% of the soybean area was already harvested by the end of last week. This is significantly less than the average rate of 2.1% harvested at the same time of the season. The plantings in Brazil were also mainly later than normal this season due to dry conditions that prevailed over large parts of the country. **Local:** The local soybean market came under pressure last week and traded lower for the week. The local market has found good support lately and the market has turned close to import parity prices. The local stock levels are significantly lower than a year ago with the season's processing being very positive.

Sunflower seed: The world sunflower seed exports have increased sharply this season and this is mainly due to the large quantities of sunflower oil available. The countries in the Black Sea region had record sunflower seed crops this season and the processing of sunflowers in these countries has increased sharply. There is also a very strong import demand for sunflower oil this season which has supported world exports. Despite the good exports that have already taken place from Argentina this season, it is expected that total sunflower oil exports should be lower this season. It is expected that the 2020 sunflower seed production in Argentina should be lower, which should limit the available stock a bit more. **Local:** The local sunflower seed market traded mixed last week, but closed mostly higher for the week in most of the contract months currently listed.

Canola: France's canola imports of 148 000 tonnes during November 2019 were high, bringing the cumulative imports for the season to 40% more than last season's imports. UAE canola imports for the season are expected to increase sharply between July 2019 and June 2020. World canola oil stocks are still low and Canada still has large quantities of available stocks for export. **Local:** The local canola production for the season is estimated at 96 200 tons.

Groundnuts: China's import demand for groundnuts and groundnut products has increased sharply and the large imports currently taking place put pressure on supplies in the world context of groundnuts. According to the news, China has already purchased large quantities of new season groundnuts from Senegal for imports. The Chinese buyers offer better prices than the local processors. Processors in Senegal are worried that most of their peanut crops will be exported to China, which will put their local processors under pressure in terms of supplies. **Local:** In the local market, there is still a lot of uncertainty regarding the new season's production. The preliminary area planted for the season will be announced on January 29.

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