

Grain SA's Oilseed Market Commentary

DATE 2018/10/22	DATE 2018/10/19		+ - WEEK AGO 2018/10/15		+ - MONTH AGO 2018/09/25		+ - YEAR AGO 2017/10/23			
	Δ	Δ%	Δ	Δ%	Δ	Δ%	Δ	Δ%		
Brent (\$/b)	79.53	-5.35	-6.3%	84.88	-1.7%	80.94	-2.0%	81.14	38.4%	57.45
US\$: ? ZAR	14.34	-0.040	-0.3%	14.38	-1.0%	14.48	0.1%	14.32	4.7%	13.69
Corn	R 2 071.85	-19.37	-0.9%	R 2 091.21	* CBOT Dec cents / bushel + -08 : 00 vandag vs CBOT Mielies Dec + -12 : 00 die vorige dag					
Wheat	R 2 711.45	5.12	0.2%	R 2 706.33	*CBOT Dec cents / bushel + -08:00 vandag vs CBOT Koring Dec + -12 : 00 die vorige dag					
Soybean	R 4 513.47	-51.69	-1.1%	R 4 565.16	* 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	367.00	-2.40	-0.6%	369.40	-2%	373.60	1%	363.75	-7%	396.75
Wheat Dec '18	514.60	2.40	0.5%	512.20	-1%	517.20	-1%	520.75	0%	515.25
Soybean Nov '18	856.60	-7.40	-0.9%	864.00	-1%	867.40	1%	845.75	-15%	1002.00
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	#VALUE!	NA
WMAZ Oct '18	2380.00	10	0.4%	2370.00	0.9%	2358.00	1.5%	2344.00	24.5%	1911
WMAZ Jul '19	2548.00	6	0.2%	2542.00	0.5%	2535.00	1.7%	2506.00	22.3%	2084
YMAZ Oct '18	2392.00	-9	-0.4%	2401.00	-0.2%	2397.00	0.6%	2377.00	19.8%	1997
YMAZ Jul '19	2515.00	-9	-0.4%	2524.00	-0.1%	2518.00	1.3%	2483.00	16.9%	2151
SOY Oct '18	4635.00	61	1.3%	4574.00	0.8%	4600.00	2.7%	4512.00	-3.3%	4791
SOY Mei '19	4862.00	31	0.6%	4831.00	0.6%	4833.00	1.0%	4814.00	-1.8%	4951
SUN Oct '18	5035.00	-85	-1.7%	5120.00	-1.2%	5094.00	-1.1%	5090.00	11.7%	4507
SUN Mei '19	4976.00	-57	-1.1%	5033.00	-0.3%	4989.00	-0.3%	4990.00	6.0%	4695
WHEAT Oct '18	4377.00	-13	-0.3%	4390.00	-0.3%	4390.00	0.9%	4340.00	5.2%	4160
WHEAT Des '18	4462.00	-8	-0.2%	4470.00	0.6%	4437.00	0.2%	4453.00	6.8%	4176
OILSEED (US\$/ton)	2018/10/19	Source: Oilworld			2018/10/12	2017/11/13	2016/12/12			
Soya-oil, Arg.	658				-1%	663	-14%	769	-3%	676
Soya-pell, Arg.	343				-1%	346	1%	339	-7%	368
Soybean, Brazil	405				0%	405	-1%	410	-1%	410
USA Runner 40/50	1300				-2%	1330	-19%	1600	0%	1300
Sun-oil, Arg.	670				-1%	675	-11%	755	-16%	800
Sun-oil, Black Sea	673				0%	670	-10%	750	-10%	750
Sunseed, Black Sea	340				0%	340	-15%	400	-17%	409
Rapeseed, EU cif	434				1%	431	2%	425	9%	399
Palmk oil Mal, EU	785				-2%	800	-47%	1470	-24%	1037

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

Soybeans: In the international soybean market, the major focus is still on the harvesting process in the USA. Adverse weather conditions mainly due to excess rain have delayed the harvesting process in the USA over the last two to three weeks. It supported US prices in the short term. However, conditions have improved again and it is expected that the US harvesting process will again take place at a better pace and it will put pressure on prices. There is currently no clarity regarding the possible negative impact that the cold and wet conditions had on the yield and quality of American production and it has yet to be determined. In South America, the Argentinian soybean imports were 331 000 tons in September and it is expected that imports of soybeans to Argentina will increase over the next few months. This is mainly due to the increase in soybean exports to China which keeps the Argentinian local stocks low. In Brazil, the processing of soybeans is lower and it is expected that it should be about 9% lower during October to December than last season's processing. This is due to the large quantities of exports taking place and the expected imports that have not been materialized. Brazil's soybean plantings are progressing well and Brazil is expected to have a new record production this season. In the EU, most of the processors prefer soybeans above the other oilseeds and the EU soybean processing has increased this season more than that was expected in the market. Soybean imports into the EU have also increased sharply this season. **Local:** The local soybean market has found support and traded higher for the week in most of the contract months currently listed. The latest monthly SAGIS information will be announced on Thursday and will give a good indication of how the processing for the season progresses.

Sunflower seed: The production of sunflower seeds in Ukraine and Russia looks good and it places these two countries as very important destinations for the production of vegetable oils and meal. The sunflower seed production in Ukraine is currently estimated at 15 million tons for the season and it is expected that an upward adjustment in production will have to take place. The harvesting process is approximately 90% complete and the average yields reported so far is about 14% higher than last season's yields. The processing of sunflower seed in Ukraine should also be higher this season and the total processing for the 2018/19 season is estimated at 14.6 million tons, which is approximately 11% higher than the previous season's processing. In Russia, production expectations for the season were slightly higher and production is now estimated to be very close to the record levels of 2016. About 66% of Russian sunflowers have already been harvested and the average yield reported so far is 1% higher than last season's yields. **Local:** The local sunflower seed market traded mixed last week, but closed mostly lower for the week in most of the contract months currently listed. The local processing of sunflower seed has progressed well so far this season, which reduces the stock levels of sunflower seeds.

Canola: In Canada, the canola harvest process is considerably slower than the average pace with the harvesting which has been delayed by adverse weather conditions. In Canada's largest canola producing states, the harvesting is now only 67% complete versus the 95% completed a year ago at the same time of the season. Weather conditions for the rest of October seem more favorable which will be beneficial to the pace of the harvesting. In Australia, canola production for the season was lowered due to the dry conditions prevailing and is negative for production. **Local:** the harvesting of canola has started in the Western Cape and the feedback received so far is that production for the season looks good with good yields reported.

Groundnuts: In the USA, the harvesting of groundnuts was reported at 45% completed, which is 1% faster than the 5-year average rate of 44% completed at this time of the season. Last season the harvesting was 49% complete at this time of the season. Production conditions in the USA are considerably weaker than last week's production conditions and was estimated last week on 58% good to excellent. This is 12% weaker than last week's estimate of 70% good to excellent. The weather conditions were very unfavorable with storms that occurred over the last two weeks over large areas of the production areas. Despite the weaker weather conditions and possible negative impact on the season's production, there are still large stock levels of groundnuts in the US available. **Locally:** The CEC intentions to plant report of summer grains will be reported on Thursday. This will give a good indication of how many groundnuts will be planted more or less during the season. Good early rain is also important as it is the crop that the producers start planting.

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