

Grain SA's Oilseed Market Commentary

GRAIN SA GRAIN SA	DATE	DATE		+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO		
	2020/02/24	2020/02/21		2020/02/17		2020/01/27		2019/02/26		
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	
Brent (\$/b)	57.06	-1.48	-2.5%	58.54	-0.2%	57.15	-3.8%	59.32	-13.2%	65.72
US\$: ? ZAR	15.11	0.020	0.1%	15.09	1.8%	14.84	4.4%	14.47	9.3%	13.83
ΔCBOT Maize 8vm : 12nm*	R 2 242.58	-11.29	-0.5%	R 2 253.87	*CBOT Mar cents / bushel + -08:00 today vs CBOT Corn Mar + -12 : 00 the previous day					
ΔCBOT Wheat 8vm : 12nm*	R 3 059.14	41.75	1.4%	R 3 017.39	*CBOT Mar cents / bushel + -08:00 today vs CBOT Wheat Mar + -12 : 00 the previous day					
ΔCBOT Soy 8vm : 12nm*	R 4 941.26	-27.84	-0.6%	R 4 969.09	* 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	377.00	-2.40	-0.6%	379.40	-2%	383.40	-3%	389.20	-8%	408.20
Wheat Mar '20	551.00	6.80	1.2%	544.20	-1%	558.60	-3%	570.40	1%	543.20
Sojabone Mar '20	890.00	-6.20	-0.7%	896.20	1%	882.00	-4%	929.00	-8%	966.20
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	0.0%	3215.00	-15.8%	3820.00
WMAZ Spot	2743.00	44	1.6%	2699.00	-2.5%	2813.00	-13.3%	3163.00	2.0%	2688.00
WMAZ Mar '20	2655.00	2	0.1%	2653.00	-4.1%	2768.00	-12.4%	3032.00	-11.5%	2999.00
YMAZ Spot	2537.00	-51	-2.0%	2588.00	-3.9%	2639.00	-13.5%	2932.00	0.5%	2525.00
YMAZ Mar '20	2550.00	-28	-1.1%	2578.00	-3.3%	2638.00	-13.0%	2930.00	-7.1%	2745.00
SOY Spot	5915.00	-39	-0.7%	5954.00	-0.3%	5930.00	0.0%	5917.00	26.0%	4694.00
SOY Mar '20	5903.00	8	0.1%	5895.00	0.7%	5862.00	1.5%	5815.00	25.8%	4694.00
SUN Spot	5205.00	22	0.4%	5183.00	-1.3%	5273.00	-11.1%	5854.00	-0.7%	5241.00
SUN Mar '20	5300.00	83	1.6%	5217.00	0.6%	5268.00	-9.4%	5847.00	1.1%	5241.00
WHEAT Spot	4750.00	0	0.0%	4750.00	0.8%	4712.00	0.4%	4732.00	9.5%	4336.00
WHEAT Mar '20	4740.00	3	0.1%	4737.00	0.7%	4705.00	1.9%	4652.00	9.3%	4336.00
OILSEED (US\$/ton)	2020/02/24	Source: Oilworld			2020/02/14	2019/03/22	2018/04/30			
Soya-oil, Arg.	713				-3%	734	4%	685	5%	676
Soya-pell, Arg.	334				0%	334	2%	326	-9%	368
Soybean, Brazil	380				1%	377	0%	379	-7%	410
USA Runner 40/50	1500				0%	1500	15%	1300	15%	1300
Sun-oil, Arg.	735				-1%	745	11%	665	-8%	800
Sun-oil, Black Sea	705				-2.8%	725	4%	675	-6%	750
Sunseed, Black Sea	400				-2%	410	8%	370	-2%	409
Rapeseed, EU cif	441				1%	437	6%	417	11%	399
Palmk oil Mal, EU	810				0%	810	13%	720	-22%	1037

Soybeans: In the international soybean market, the main focus is currently on the South American market where the soybean harvesting process is underway. In Brazil, soybean production for the season is estimated between 125 and 127 million tons, which will be a new record production for Brazil. Record yields are reported so far in large parts of Brazil where the harvesting process is underway. However, there are areas where the production conditions are not entirely optimal, and the expectations are that these parts' yields should be slightly lower. In Argentina, production conditions are also favourable and Argentine soybean production for the season is estimated at 53.8 million tonnes. In Argentina, soybean processing was lower than expected during January and the next few months' processing should also be lower than the initial expectations. The lower-than-expected processing in Argentina will allow the Argentine carry-over stocks to reach record levels of 5.9 million tonnes by the end of March 2020. The world soybean oil supply is currently low due to lower than expected processing of soybeans in Argentina. **Local:** The local soybean market traded mostly mixed last week, but closed slightly higher for the week in the new season contracts. The first production forecast for the season will be announced by the CEC on February 26.

Sunflower Seeds: The world sunflower stocks is likely to be lower than initially expected at the end of the 2019/20 season. This is due to the record consumption that occurred during the first 6 to 9 months of the 2019/20 season. The total world sunflower processing for the 2019/20 season is estimated at new record levels of 54.75 million tons. The available sunflower seed stock in Bulgaria and Romania has already been thinned out which supports the prices of sunflower seeds. **Local:** The local sunflower seed market closed mostly higher last week in most of the new season contracts, while the spot month contract closed lower for the week.

Canola: The ongoing trade disputes between Canada and China will cause world canola exports to remain under pressure this season. Canada's canola stocks is also still high and Canada's canola stocks is expected to be at 3.5 million tonnes by the end of the 2019/20 marketing season. China has recently imported more canola from Australia, making up for the lower imports from Canada. However, Chinese canola imports should still be 40% lower during the 2019/20 season.

Groundnuts: Although world exports of groundnuts reach record levels during 2019, world exports are expected to be lower during 2020. One of the major limiting factors for world exports is the quota that Senegal has placed on groundnut exports. In India, there is a greater local demand for peanuts which reduces the exportable stocks in India. Argentina's groundnut production for the season should also be lower than initially expected, while US groundnut stock is close to a 3-year low. **Local:** The first production forecast for the season will be released on February 26th, which will give more certainty regarding the expected groundnut production for the season.

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