


Grain SA's Oilseed Market Commentary

 GRAIN SA GRAIN SA	DATE	DATE			+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO					
	2020/01/27	2020/01/24			2020/01/20		2019/12/30		2019/01/28					
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data				
Brent (\$/b)	59.32	-1.58	↓	-2.6%	60.90	↓	-9.7%	65.67	↓	-11.0%	66.62	↓	-1.6%	60.26
US\$: ? ZAR	14.47	0.010	↑	0.1%	14.46	↑	0.1%	14.45	↑	2.6%	14.11	↑	5.9%	13.67
ACBOT Maize 8vm : 12nm*	R 2 205.70	-34.91	↓	-1.6%	R 2 240.61	*CBOT Mar cents / bushel + -08:00 today vs CBOT Corn Mar + -12 : 00 the previous day								
ACBOT Wheat 8vm : 12nm*	R 3 048.66	-35.09	↓	-1.1%	R 3 083.75	*CBOT Mar cents / bushel + -08:00 today vs CBOT Wheat Mar + -12 : 00 the previous day								
ACBOT Soy 8vm : 12nm*	R 4 795.77	-36.00	↓	-0.7%	R 4 831.77	* 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	387.20	-6.40	↓	-1.6%	393.60	↓	-1%	389.20	↓	-1%	390.00	↓	-6%	411.40
Wheat Mar '20	573.40	-7.00	↓	-1.2%	580.40	↑	1%	570.40	↑	3%	556.20	↑	2%	563.20
Sojabone Mar '20	902.00	-7.40	↓	-0.8%	909.40	↓	-3%	929.00	↓	-4%	941.40	↓	-8%	976.00
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	↓	-7.3%	3469.00	↓	-7.3%	3469.00	↓	-15.8%	3820.00
WMAZ Spot	3163.00	-4	↓	-0.1%	3167.00	↑	7.1%	2952.00	↑	16.8%	2708.00	↑	4.1%	3038.00
WMAZ Mar '20	3032.00	-36	↓	-1.2%	3068.00	↑	4.0%	2915.00	↑	12.5%	2694.00	↓	-0.8%	3057.00
YMAZ Spot	2932.00	-38	↓	-1.3%	2970.00	↑	3.6%	2830.00	↑	10.2%	2660.00	↑	7.8%	2719.00
YMAZ Mar '20	2930.00	-25	↓	-0.8%	2955.00	↑	4.0%	2817.00	↑	10.8%	2644.00	↑	7.0%	2738.00
SOY Spot	5917.00	-18	↓	-0.3%	5935.00	↓	-2.4%	6064.00	↓	-4.7%	6210.00	↑	20.9%	4895.00
SOY Mar '20	5815.00	-80	↓	-1.4%	5895.00	↓	-3.5%	6024.00	↓	-6.6%	6226.00	↑	18.8%	4895.00
SUN Spot	5854.00	26	↑	0.4%	5828.00	↑	3.1%	5677.00	↓	-1.7%	5957.00	↑	6.4%	5500.00
SUN Mar '20	5847.00	-9	↓	-0.2%	5856.00	↑	2.7%	5696.00	↓	-2.1%	5970.00	↑	6.9%	5470.00
WHEAT Spot	4732.00	92	↑	2.0%	4640.00	↑	3.9%	4555.00	↑	9.3%	4330.00	↑	6.3%	4450.00
WHEAT Mar '20	4652.00	19	↑	0.4%	4633.00	↑	2.0%	4560.00	↑	6.2%	4381.00	↑	3.9%	4478.00
OILSEED (US\$/ton)	2020/01/24	Source: Oilworld			2020/01/17		2019/03/22		2018/04/30					
Soya-oil, Arg.	790				↓	-6%	838	↑	15%	685	↑	17%	676	
Soya-pell, Arg.	340				↓	1%	338	↑	4%	326	↓	-8%	368	
Soybean, Brazil	386				↓	-3%	398	↑	2%	379	↓	-6%	410	
USA Runner 40/50	1500				↑	0%	1500	↑	15%	1300	↑	15%	1300	
Sun-oil, Arg.	815				↑	2%	800	↑	23%	665	↑	2%	800	
Sun-oil, Black Sea	775				↓	-4.3%	810	↑	15%	675	↑	3%	750	
Sunseed, Black Sea	415				↓	-2%	425	↑	12%	370	↑	1%	409	
Rapeseed, EU cif	462				↓	0%	464	↑	11%	417	↑	16%	399	
Palmk oil Mal, EU	950				↓	-8%	1030	↑	32%	720	↓	-8%	1037	

Soybeans: The global soybean supply and demand was characterized by the sharp decline in world production in the 2019/20 season. Total world production was approximately 21 million tons lower during the 2019/20 season compared to the 2018/19 season. Although there was a sharp decline in production during the 2019/20 season, it did not have a significant impact on international prices as the world supply was at record highs at the end of the 2018/19 season. It served as a buffer to lower world production and thus international soybean prices moved fairly sideways. It is expected that international prices for the rest of the season should follow more or less the same sideways trend in the international context, provided the South American production conditions remain favorable. There are still plenty of soybeans available in the world and the expected end-of-season stock is around 27% of annual consumption. In Argentina, a large part of the country has received good rains which are favorable for the production conditions. However, there are still parts of the country where it is still dry and the total production estimate for the season has been adjusted downwards from the previous forecast that was done a month ago. Total production for the season in Argentina is now estimated at 52.5 million tons. The world is expected to recover soybean imports again this season from last season's imports, with a large portion of the increase in imports occurring in China. **Local:** The local soybean market came under pressure last week and closed lower for the week in most of the contract months currently listed. The local stock levels are low and there are rumors in the market that there are soybean imports on their way to South Africa.

Sunflower Seeds: The large quantities of sunflower seeds processed in the first few months of the marketing season will probably limit further growth in processing to 3% - 4% in the next few months. This is lower than the 9 - 10% growth achieved during the first few months of the marketing season. The total year to date increase in world sunflower seed processing is 8% over the previous year's processing. World sunflower seed production reached new record levels this season and stocks in Russia and Argentina in particular were significantly higher than last season's supplies. The price competitiveness of sunflower oil has increased and sunflower oil is currently the cheapest vegetable oil in the international context. It should support the world demand for sunflower oil as there are shortages in other oils, such as palm oil. **Local:** The local sunflower seed market traded mixed last week with old season contracts finding support for the week while new season contracts came under pressure and closed lower for the week.

Canola: World canola processing is expected to be below the potential this season due to lower canola processing in China and the EU. At the current rate of processing, the season's total processing is expected to be even lower than last season's processing, which was already significantly lower than the average processing per season. The sharp demand for vegetable oils in the international context may well support canola processing in Canada. Canada still has large canola supplies available and canola processing in Canada is expected to reach good levels. **Local:** The local canola production for the season is 96 200 tons.

Groundnuts: US groundnut production for the season is estimated at 1.87 million tons, which is almost unchanged from last season's production. The US had large peanut stocks the previous 2 seasons which have kept the market fairly under pressure, but the recent increase in peanut processing and exports is wiping out major US stocks. The total world production of groundnuts is about 1.1 million tons higher this season than last season with the biggest recovery in production reported in India. The biggest factor currently being watched in the international peanut market is China's imports of peanut and peanut products, which have increased dramatically recently. **Local:** In the local market, the CEC's preliminary area planted report for the season will be released on January 29. This will bring more clarity to the market regarding how many groundnuts are planted for the season.

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