

Grain SA's Oilseed Market Commentary

GRAIN SA GRAIN SA	DATE		DATE		+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO	
	2020/09/28		2020/09/25		2020/09/14		2020/08/24		2019/09/23	
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data
Brent (\$/b)	42.29	0.00	0.0%	42.29	4.8%	40.34	-7.0%	45.46	-33.4%	63.50
US\$: ? ZAR	17.03	0.010	0.1%	17.02	2.2%	16.66	-1.8%	17.35	14.3%	14.90
ΔCBOT Maize 8vm : 12nm*	R 2,443.07	-3.93	-0.2%	R 2,446.99	*CBOT Dec cents / bushel + -08:00 today vs CBOT Corn Dec + -12 : 00 the previous day					
ΔCBOT Wheat 8vm : 12nm*	R 3,406.56	3.25	0.1%	R 3,403.31	*CBOT Dec cents / bushel + -08:00 today vs CBOT Wheat Dec + -12 : 00 the previous day					
ΔCBOT Soy 8vm : 12nm*	R 6,278.73	9.94	0.2%	R 6,268.79	* CBOT Nov cents / bushel + -08 : 00 today vs CBOT Soybeans Nov + -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 '20	364.40	-0.80	-0.2%	365.20	0%	366.20	11%	327.40	-10%	403.40
Wheat Sep '20	544.40	0.20	0.0%	544.20	3%	527.00	8%	505.20	5%	518.40
Sojabone Aug '20	1003.40	1.00	0.1%	1002.40	0%	1005.00	11%	904.00	6%	944.20
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)										
SORGHUM Spot	3800.00	0	0.0%	3800.00	0.0%	3800.00	-2.6%	3900.00	9.5%	3469.00
WMAZ Spot	3494.00	53	1.5%	3441.00	7.1%	3261.00	20.9%	2890.00	23.6%	2827.00
WMAZ Dec 20	3478.00	49	1.4%	3429.00	6.3%	3271.00	20.6%	2883.00	25.4%	2773.00
YMAZ Spot	3350.00	39	1.2%	3311.00	5.6%	3172.00	15.1%	2910.00	24.2%	2698.00
YMAZ Dec 20	3386.00	37	1.1%	3349.00	5.0%	3226.00	15.9%	2921.00	25.4%	2700.00
SOY Spot	8100.00	28	0.3%	8072.00	4.7%	7738.00	9.6%	7390.00	39.8%	5794.00
SOY Dec '20	8185.00	24	0.3%	8161.00	5.7%	7746.00	10.2%	7429.00	40.5%	5826.00
SUN Spot	7630.00	-88	-1.1%	7718.00	2.3%	7460.00	14.6%	6660.00	41.0%	5410.00
SUN Dec '20	7710.00	-73	-0.9%	7783.00	2.0%	7562.00	15.2%	6690.00	38.3%	5575.00
WHEAT Spot	5080.00	36	0.7%	5044.00	0.6%	5050.00	-16.7%	6100.00	12.2%	4528.00
WHEAT Dec '20	4944.00	11	0.2%	4933.00	0.9%	4902.00	-11.5%	5589.00	9.2%	4528.00
OILSEED (US\$/ton)	2020/09/24	Bron: Oilworld			2020/09/17	2019/08/22	2019/09/30			
Soya-oil, Arg.	801				-4.5%	839	17%	685	18%	676
Soya-pell, Arg.	407				4.4%	390	25%	326	11%	368
Soybean, Brazil	433				-0.9%	437	14%	379	6%	410
USA Runner 40/50	1350				0.0%	1350	4%	1300	4%	1300
Sun-oil, Arg.	950				-3.1%	980	43%	665	19%	800
Sun-oil, Black Sea	930				-11.4%	1050	38%	675	24%	750
Sunseed, Black Sea	455				-8.1%	495	23%	370	11%	409
Rapeseed, EU cif	465				-1.1%	470	12%	417	17%	399
Palmk oil Mal, EU	790				-2.5%	810	10%	720	-24%	1037

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

Soybeans: The U.S. soybean market came under pressure last week and closed lower for the week. The pressure on the US market was limited by the stronger soybean meal prices which again supported the crushing margins and are therefore positive for processing in the US. Soybean processing in South America is significantly lower due to the limited producer sales prevailing in Argentina while Brazilian soybean inventory is very low due to large exports to China that took place earlier this season. Argentine soybean processing during August was about 900 000 tons lower than the previous season's processing during August and it is expected that the September and October processing of soybeans in Argentina should be even lower. The lower processing in Argentina will cause the Argentine soybean stocks to be around 30 million tons by the end of the 2019/20 season, which runs until the end of September. This will be record carry over stocks for Argentina. The plantings in South America will be one of the biggest aspects that will drive the international price trends in the next few weeks. Although the initial expectations were that new record area will be planted in Brazil this season, the weather conditions will be the biggest determinant of the actual area that will be planted this season and also of the production expectations for the season. There are already large portions of the Brazilian production areas where plantings for the season have been delayed due to dry conditions. **Local:** The local soybean market is still trading strongly and has followed a good upward trend over the past few weeks. The support in the local soybean market can be largely attributed to the support in the international markets as well as the limited soybean stocks available locally.

Sunflower seeds: In the international sunflower seed complex, prices came under sharp pressure last week with sunflower seed prices falling by about 8% for the week while sunflower oil prices fell by about 11% for the week. The prices of both sunflower seeds and sunflower oil have increased sharply in recent times and have traded at great premiums against other crops. The large price premiums of sunflower seeds and sunflower products compared to other products in the oilseed complex have caused the sunflower market to drop and become more in line with the other crops. The international sunflower seed market has found support with the lower expected production in the Black Sea region and the high demand for sunflower oil in the international context. **Local:** The local sunflower seed market has found good support over the past few weeks and has traded stronger. The support in the local market can be largely attributed to the stronger international prices of sunflower seeds and sunflower seed products.

Canola: Canadian canola processing reached approximately 830 000 tons during August, which was in line with the previous season's record processing during August. The total year to date canola processing in Canada is currently at a new high of 6.75 million tons. The higher processing of canola currently taking place in Canada can be largely attributed to the greater demand for canola oil and meal in China and the US. **Local:** In the local market the production expectations for the season are good and a good harvest is expected this season.

Groundnuts: In India, peanut production is expected to be lower for the season than initially expected with production conditions coming under pressure due to excess rainfall. The year-to-date processing of peanuts in Argentina is about 17% lower than the previous season's year-to-date processing of peanuts. **Local:** In the local market, preparations for the new season peanut plantings are underway and the market is hopeful for good early rains this season.

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