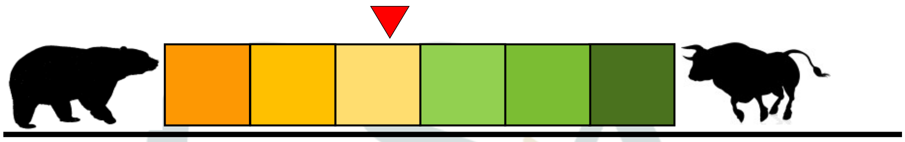
SOYBEAN MARKET REPORT

Contents

International Markets

Bearish and Bullish Factors

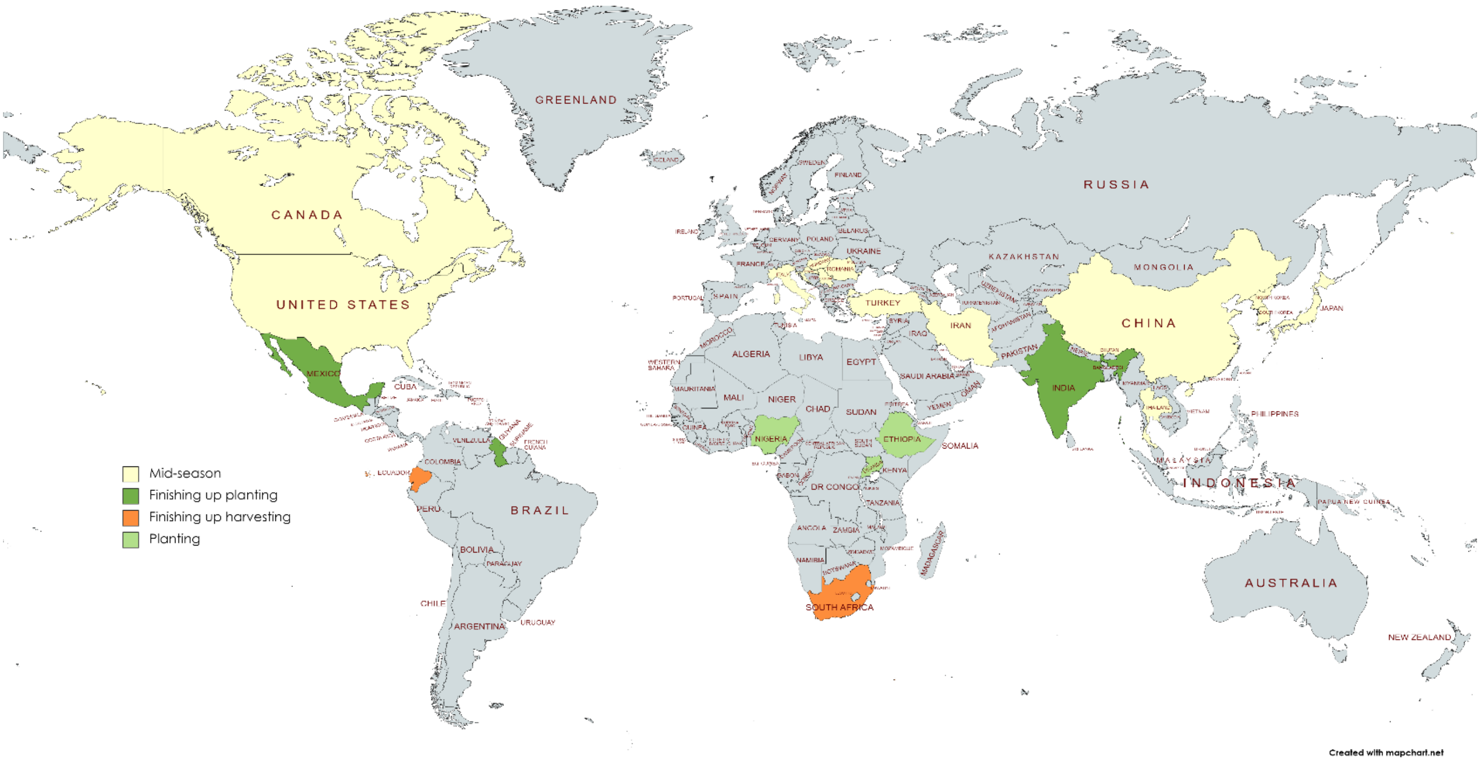
SHORT-TERM PRICE TREND



LONG-TERM PRICE TREND

Bearish factors (price-negative)	Bullish factors (price-supportive)
• Rain relief and moderating temperatures are heading for much of the American Midwest just ahead of the crop's critical August pod-setting and pod-filling phase	• China demand and weather concerns have supported Chinese soybean prices.
• Brazil's record 2025/26 crop and strong export lineup continue to anchor world supply	• Soybean oil continues to surge on increased biofuel demand
• USDA raised new-crop soybean production to a record 4.475 billion bushels	• Trader sentiment turned more bullish after the latest USDA weekly crop progress report showed quality cuts
•	• USDA reported 63% of the U.S. soybean crop in good-to-excellent condition, down from 66% the prior week and 70% a year earlier
	• 2026/27 soybean ending stocks were projected to decline to 310 million bushels

International Production



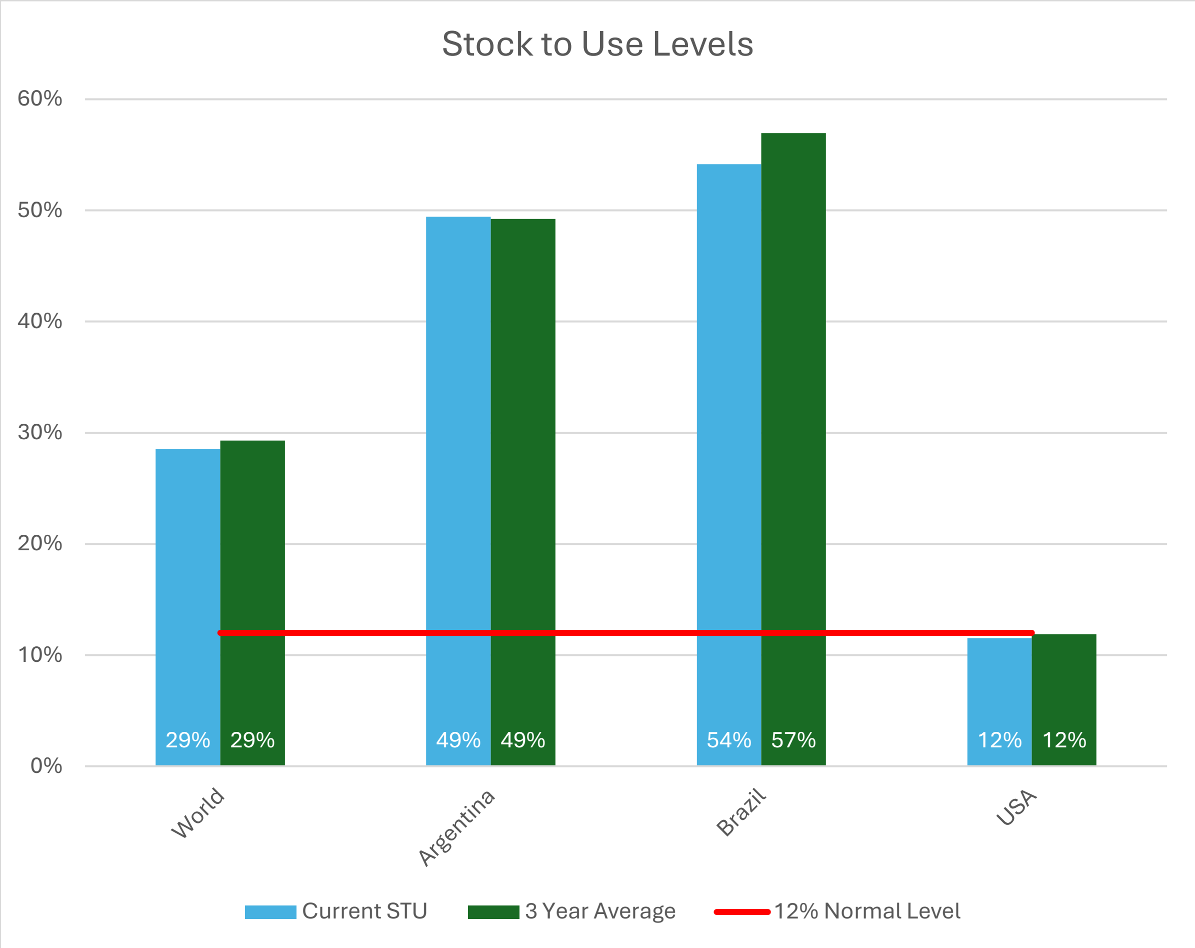
Comments on El Niño:

El Niño is confirmed for the second half of 2026, with super El Niño warnings issued for Southern Africa. Heatwaves and reduced rainfall in the summer rainfall regions are becoming more likely.

Crop Conditions Commentary

Country / Region	**Current situation**
United States	Good emergence under favourable conditions
Brazil	Brazil's focus has shifted from harvest to export logistics, with no immediate weather-related disruptions reported at major ports
Argentina	Planting has not yet started
China	Temperatures and soil moisture levels across most of Northeast China remained favourable for crop development
South Africa	Harvest is concluding with 92% of the total estimated crop already harvested.
Ukraine	Drier soils have been reported in the eastern and western sides of the country.

Supply and Demand (WASDE)

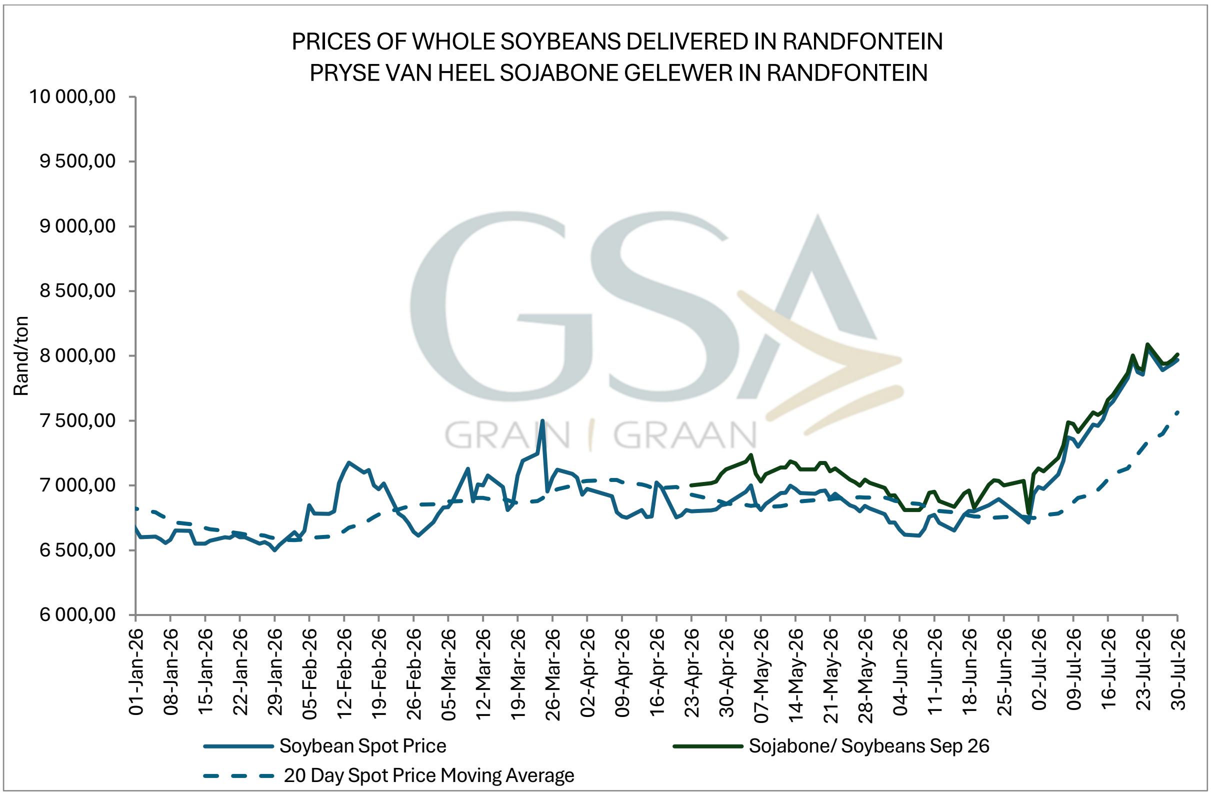


*Below the normal stock-to-use level, prices tend to react sharply in the market environment. By comparing current-year stock-to-use percentages to the norm, an indication of the direction of price trends can be inferred.

The current global stock-to-use ratio for soybeans remains slightly below the 3-year average. However, Brazil's stocks are extremely high at 54%, due to increased beginning stocks for the season, which puts pressure on export markets.

Local Market

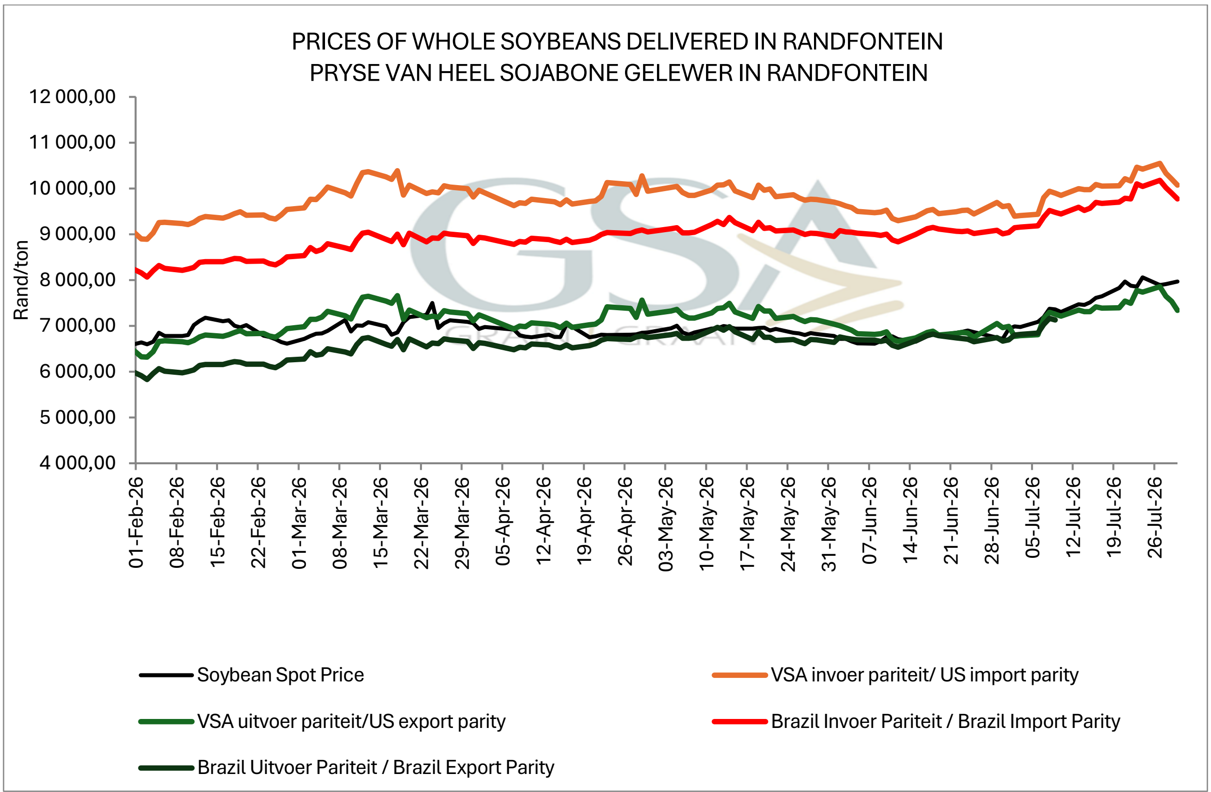
Price Movements



Soybean prices are currently trading at export parity due to high stocks with the harvest nearing completion. The local prices have, however, seen support in the past few weeks due to increasing parity prices. These parity prices were supported by the weakening rand and the increasing crude oil cost that directly affects shipping costs. The CEC did not change the production figures for soybeans in the sixth production estimate, and it remains at 3 043 825 tons.

International vs Local Markets

Parity Prices



Soybean prices rose steadily throughout July due to a combination of tightening U.S. fundamentals and strong demand, but began to ease in the final days as weather conditions improved. The July WASDE report, released on July 10, set a supportive tone for the market. The USDA projected new-crop soybean production at a record 4.475 billion bushels, yet also anticipated that ending stocks for 2026/27 would fall to 310 million bushels. Additionally, exports were increased by 30 million bushels to 1.66 billion, reflecting stronger global demand. The estimate for U.S. ending stocks was slightly bullish for soybeans, although world ending stocks were regarded as neutral. Mid-month, U.S. weather became the dominant narrative. By mid-July, U.S. soybean futures had hit new highs not seen since May, driven by low domestic inventories, a weather risk premium due to drought in the Midwest, and active purchasing from China. The critical flowering phase coincided with abnormal heat and drought conditions, particularly in Nebraska and South Dakota, where crop conditions were estimated to be 65% in good-to-excellent condition, compared to 70% the previous year.

China remained a consistent and active buyer during this period. Since the beginning of July, the USDA confirmed sales of over 1 million tonnes of U.S. soybeans to China. This demand from China, along with weather concerns, drove soybean prices to contract highs at times throughout the month.

The economics surrounding biofuel and crushing provided another bullish factor. Soybean oil prices surged due to increased biofuel demand. Tariffs of 25% on Brazilian beef tallow made soybean oil a more competitive feedstock for renewable diesel. Additionally, crude oil prices, rising above $90, boosted profitability in the crush sector.

However, the price rally was not entirely one-sided; there was significant volatility. Managed money funds had reduced their net long positions in CBOT soybeans during June but returned as buyers in July, indicating a shift in sentiment throughout the month rather than a consistent upward trend.

In Brazil, the situation remained stable throughout the month, with the focus shifting from harvest to export logistics. No port disruptions were reported, and Brazil's record 2025/26 crop continued to support global supply.

Overall, global supply remained comfortable despite the concerns around U.S. weather. Brazil's record crop and solid export lineup helped anchor world supply, even as a U.S. weather premium developed. Meanwhile, China's domestic soybean crop, which was also growing during this time, was reported to be in favourable condition, with beneficial temperatures and soil moisture levels in Northeast China, contrasting sharply with the stressed U.S. crop.