

The Weekly Weighbridge

21 November 2018

Important facts for the week

- Consultancy firm, Strategie Grains, increased their estimate for the current season maize harvest in the EU for the second consecutive month and is expecting the harvest to be larger than last year's crop.
- Russian wheat export prices rose slightly last week on seasonal declines in supply. The world's largest wheat exporter has already exported more than 22 MMT of grain since the start of the season, from the 38-39 million tonnes that Russia's agriculture ministry estimates to be available in the 2018/19 season.
- According to the private analytics firm, Informa Economics, China's soybean imports in 2018/19 are expected to decrease to 91 MMT from 94 MMT a year ago. China, which buys 60% of soybeans traded worldwide, is locked in a bitter trade dispute with the United States. It has curbed the country's purchases of US soybeans.
- It is expected that farmers across South America will produce more soybeans in 2018/19 and is investing more resources to increase the planted area in 2018/19 to record 36.2 million hectares as they want take advantage of a trade war that has curbed US exports to the world's top buyer, China.

ZAR/mt					Week								
21 November 2018					Move	21 November 2018 14 November 2018							
SAFEX	Dec'18 White Maize	R	2,330	-R	75	ZAR/USD			R	14.07	R	14.38	
SAFEX	Mar19 White Maize	R	2,407	-R	56	EUR/USD			\$	1.1377	\$	1.1308	
SAFEX	Dec'18 Yellow Maize	R	2,365	-R	77	ZAR/EUR			R	16.01	R	16.28	
SAFEX	Mar19 Yellow Maize	R	2,416	-R	64	ZAR/GBP			R	17.99	R	18.69	
SAFEX	Dec'18 Soybeans	R	4,601	-R	14								
SAFEX	Mar19 Soybeans	R	4,725	-R	11	Important dates							
SAFEX	Dec'18 Sunflower	R	5,186	-R	25	21/11/2018	Weekly producer deliveries						
SAFEX	Mar19 Sunflower	R	5,171	-R	14	22/10/2018	Weekly Imports and exports						
SAFEX	Dec'18 Wheat	R	4,279	-R	81	23/10/2018	USA weekly exports						
SAFEX	Mar'18 Wheat	R	4,403	-R	70								
Export						Import							
					USD/mt	Week	Protein			ZAR/mt	Week		
					FOB Origin	Move	level			FCA Durban	Move		
Origin Country													
SA	Dec'18 Yellow Maize	\$	195	\$	-1	US (HRW)	Spot Wheat	10.1%	R	4,748	R	88	
SA	Dec'18 White Maize	\$	193	\$	-1	US (SRW)	Spot Wheat		R	4,476	R	97	
US	Spot Yellow Maize	\$	163	\$	-2	Germany	Spot Wheat	11.0%	R	4,836	R	59	
Argentina	Spot Yellow Maize	\$	162	\$	0	France	Spot Wheat	10.1%	R	4,437	R	94	
Brazil	Spot Yellow Maize	\$	175	\$	-2	Russia	Spot Wheat	11.0%	R	4,589	R	93	
Black Sea	Spot Yellow Maize (non GM)	\$	172	\$	-	Australian APW	Spot Wheat	9.2%	R	5,062	-R	194	
						Argentina	Spot Wheat	10.6%	R	4,448	R	6	
SA	Dec'18 Soybeans	\$	371	\$	7	(Wheat quality based on 12 % moisture & import tariff included)							
US	Spot Soybeans	\$	335	\$	-2								
Brazil	Spot Soybeans	\$	377	\$	-8	Wheat	Published Tariff		R	490.70			
Argentina	Spot Soybeans	\$	358	\$	-11								

News for the week

Corn/Maize

US corn prices traded sideways this past week. With the strong US dollar index and lower US exports than expected this past week preventing any significant rally in prices.

USDA reported that 90% of US Corn has been harvested, which is behind with the 5-year average of 93%.

Consultancy firm, Strategie Grains, increased their estimate for the current season maize harvest in the EU for the second consecutive month and is expecting the harvest to be larger than last year's crop. The EU's maize production in 2018/19 is estimated to reach 60.0 MMT, which is up from 59.4 MMT estimated in October 2018, with the main adjustments made for Romania, Hungary, Austria and France.

South Africa has exported 60% of the estimated white maize exports and 84% of the estimated yellow maize for the 2018/2019 season. Producer deliveries is currently reported at 90% for white maize and 87% for yellow maize for the 2018/2019 season.

South African (SA) maize prices traded lower this past week with rain in important producing regions of South Africa and ZAR strength resulting in lower prices.

Wheat

International wheat prices traded higher this past week. With the lower seasonal supply wheat pushing international prices higher.

USDA reported US winter wheat crop conditions at 56% good/excellent, which is a 2% increase to the prior week but also lower than last year's 53%. 81% of US winter wheat has emerged, which is behind of the 5-year average of 88%.

Russian wheat export prices increased slightly last week on seasonal declines in supply. The world's largest wheat exporter has already exported more than 22 MMT of grain since the start of the season, from the 38-39 million tonnes that Russia's agriculture ministry estimates to be available in the 2018/19 season.

FranceAgriMer cut their forecast for French 2018/19 soft wheat exports within the EU, mainly due to lower shipments to Spain where the harvest has rebounded after severe drought damage last year. In monthly supply-and-demand estimates, FranceAgriMer put French wheat sales to other EU member states at 7.8 MMT, which is down from 7.9 MMT seen last month and 16% below a record high last year.

South Africa has imported 92,307 tonnes of wheat thus far for the 2018/2019 season, with Canada, Russia and Ukraine being the main origins. Producer deliveries is currently reported at 449,888 tonnes thus far for the 2018/2019 season.

South African (SA) wheat prices traded lower this past week with ZAR strength and the harvest starting in the Cape resulting in lower prices.

Soybeans

US soybean prices traded lower this past week. With the strong US dollar index, record high ending stocks preventing any significant rally in prices.

USDA reported that 91% of US Soybeans has been harvested, which is behind of the 5-year average of 96%.

According to the private analytics firm, Informa Economics, China's soybean imports in 2018/19 are expected to decrease to 91 MMT from 94 MMT a year ago. China, which buys 60% of soybeans traded worldwide, is locked in a bitter trade dispute with the US. It has curbed the country's purchases of US soybeans.

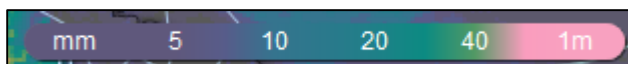
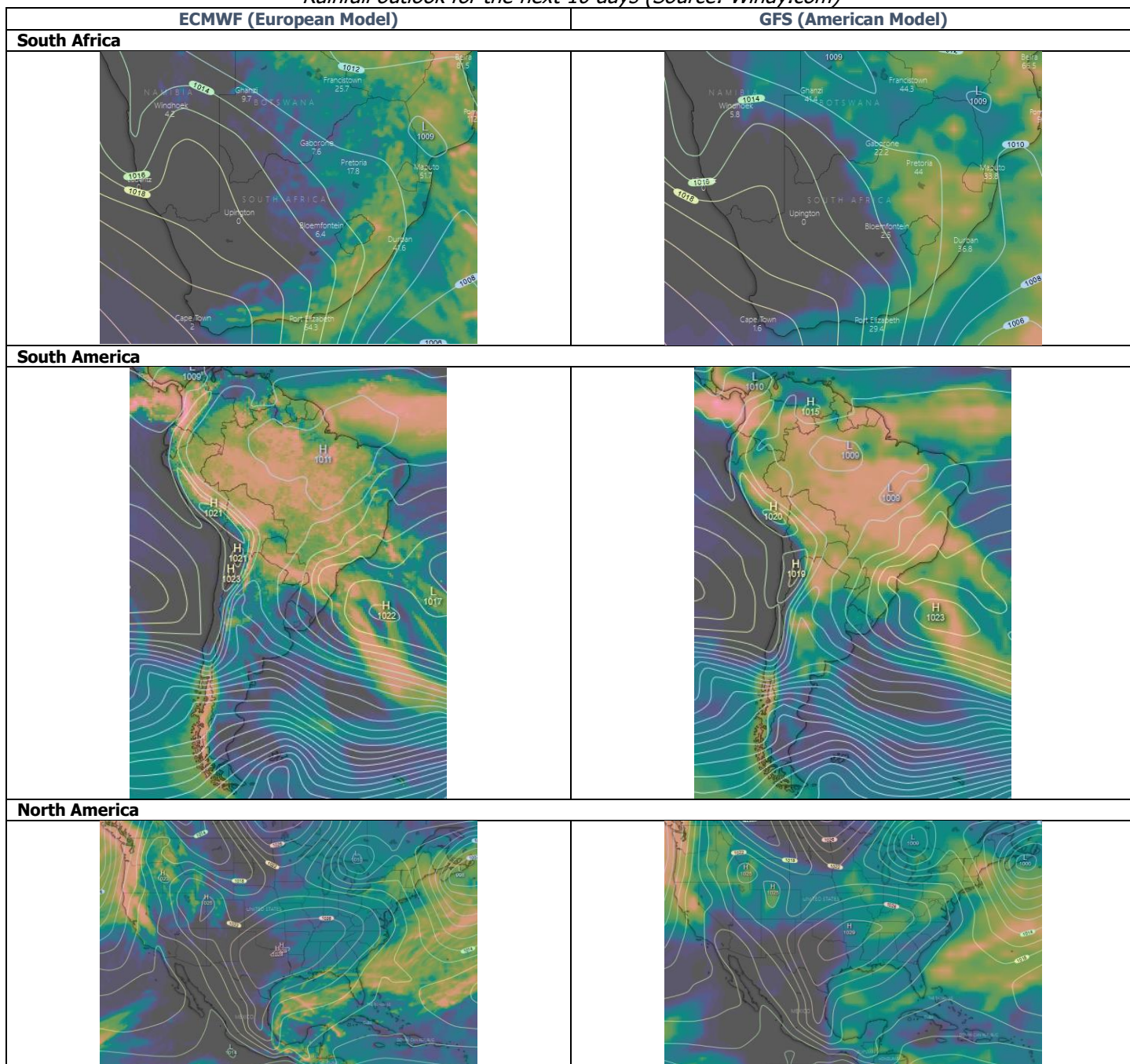
It is expected that farmers across South America will produce more soybeans in 2018/19 and is investing more resources to increase the planted area in 2018/19 to record 36.2 million hectares as they want take advantage of a trade war that has curbed US exports to the world's top buyer, China.

According to the National Oilseed Processors Association (NOPA), US oilseed processors crushed a record volume of soybeans in October while soybean stocks declined for a sixth straight month. NOPA members crushed a record 4.690 MMT of soybeans last month, up from the 4.375 MMT processed in September and 4.469 MMT in October 2017.

According to APK-Inform, Ukraine's soybean exports fell to a record low of 140,000 tonnes in the first two months of the 2018/19 season due to poor demand from European consumers.

South African (SA) soybean prices traded lower this past week with lower US prices and ZAR strength resulting in lower prices.

Rainfall outlook for the next 10 days (Source: Windy.com)



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