

The Weekly Weighbridge

28 November 2018

Important facts for the week

- An improved crop in Ukraine is expected to counterbalance the effect of the lower production from the US, with the International Grains Council only slightly lowering its global corn production forecast for the 2018/19 season. The IGC lowered its estimate for global corn production in the 2018/19 season by 1 million tonnes to a total of 1.073 billion tonnes, reflecting a downward adjustment in the US crop.
- Russia, which is already the world's leading wheat exporter, is determined on taking further market share from the EU and US with a new attempt to export to what have traditionally been its most difficult destinations. Successful marketing campaigns in Iraq, Saudi Arabia and Algeria would strengthen Russia's leading position in the wheat markets of the Middle East and North Africa.
- When the US-China trade dispute intensified earlier this year, most market participants assumed China could never completely cut US soybeans out of its import program due to the sheer volume the country consumes. However, the US soybean season has reached its typical peak export week and Chinese buyers are still nowhere in sight, worrying analysts that China may have pulled off the impossible.
- Agribusiness consultancy AgRural expects Brazilian soybean farmers in Mato Grosso may start harvesting the crop before the end of December as the pace of planting has been the fastest in history.

ZAR/mt					Week							
28 November 2018					Move	28 November 2018 21 November 2018						
SAFEX	Dec'18 White Maize	R	2,390	R	90	ZAR/USD			R	13.93	R	13.92
SAFEX	Mar19 White Maize	R	2,464	R	96	EUR/USD			\$	1.1295	\$	1.1383
SAFEX	Dec'18 Yellow Maize	R	2,344	R	14	ZAR/EUR			R	15.73	R	15.85
SAFEX	Mar19 Yellow Maize	R	2,420	R	43	ZAR/GBP			R	17.76	R	17.78
SAFEX	Dec'18 Soybeans	R	4,521	-R	90							
SAFEX	Mar19 Soybeans	R	4,643	-R	82	Important dates						
SAFEX	Dec'18 Sunflower	R	5,130	-R	60	28/11/2018	Weekly producer deliveries					
SAFEX	Mar19 Sunflower	R	5,093	-R	66	29/10/2018	Weekly Imports and exports					
SAFEX	Dec'18 Wheat	R	4,265	R	13	26/11/2018	USA weekly exports					
SAFEX	Mar'18 Wheat	R	4,388	R	13							
Export						Import						
					Week						Week	
					Move	Origin Country	Protein level		ZAR/mt		Week	
					FOB Origin			FCA Durban		Move		
SA	Dec'18 Yellow Maize	\$	196	\$	1	US (HRW)	Spot Wheat	10.1%	R	4,634	R	141
SA	Dec'18 White Maize	\$	199	\$	6	US (SRW)	Spot Wheat		R	4,425	R	192
US	Spot Yellow Maize	\$	160	\$	-2	Germany	Spot Wheat	11.0%	R	4,786	R	184
Argentina	Spot Yellow Maize	\$	167	\$	2	France	Spot Wheat	10.1%	R	4,390	R	175
Brazil	Spot Yellow Maize	\$	173	\$	-2	Russia	Spot Wheat	11.0%	R	4,551	R	196
Black Sea	Spot Yellow Maize (non GM)	\$	172	\$	-	Australian APW	Spot Wheat	9.2%	R	5,117	R	86
						Argentina	Spot Wheat	10.6%	R	4,377	-R	31
(Wheat quality based on 12 % moisture & import tariff included)												
SA	Dec'18 Soybeans	\$	369	\$	-7	Wheat	Published Tariff		R	490.70		
US	Spot Soybeans	\$	332	\$	-3							
Brazil	Spot Soybeans	\$	369	\$	-8							
Argentina	Spot Soybeans	\$	348	\$	-9							

News for the week

Corn/Maize

US corn prices traded slightly lower to sideways this past week. With the strong US dollar index, better yield numbers and the fact the US is nearing the end of the harvest is resulting in prices dropping to near seasonal lows.

USDA reported that 94% of US Corn has been harvested, which is in line with the 5-year average of 96%.

An improved crop in Ukraine is expected to counterbalance the effect of the lower production from the US, with the International Grains Council only slightly lowering its global corn production forecast for the 2018/19 season. The IGC lowered its estimate for global corn production in the 2018/19 season by 1 million tonnes to a total of 1.073 billion tonnes, reflecting a downward adjustment in the US crop.

According to the customs administration, China approved imports of corn from Kazakhstan in an attempt at diversifying the country's different sources of grain shipments. The approval came the same week that China launched an anti-dumping enquiry into barley imports from Australia, its top supplier of the grain, amid tense ties between Beijing and Canberra.

Nonghyup Feed Inc. (NOFI), South Korea's largest feedmaker, has issued an international tender to purchase up to 69,000 tonnes of corn. The corn is wanted from optional origins for arrival in South Korea around 10 April 2019.

South Africa has exported 61% 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 higher this past week with not enough rain falling in important producing regions of South Africa resulting in higher 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 55% good/excellent, which is a 1% decrease from the prior week but also lower than last year's 50%. 86% of US winter wheat has emerged, which is behind of the 5-year average of 92%.

Russia, which is already the world's leading wheat exporter, is determined on taking further market share from the EU and US with a new attempt to export to what have traditionally been its most difficult destinations. Successful marketing campaigns in Iraq, Saudi Arabia and Algeria would strengthen Russia's leading position in the wheat markets of the Middle East and North Africa.

Shipping data has showed a vessel that is due to load what would be the first cargo of 63,000 tonnes French milling wheat for China wheat for China in nearly five years.

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 711,725 tonnes thus far for the 2018/2019 season.

South African (SA) wheat prices traded higher this past week with higher international wheat prices pushing prices higher.

Soybeans

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

USDA reported that 94% of US Soybeans has been harvested, which is behind of the 5-year average of 98%.

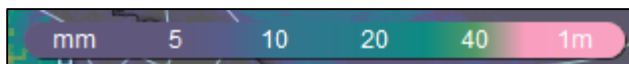
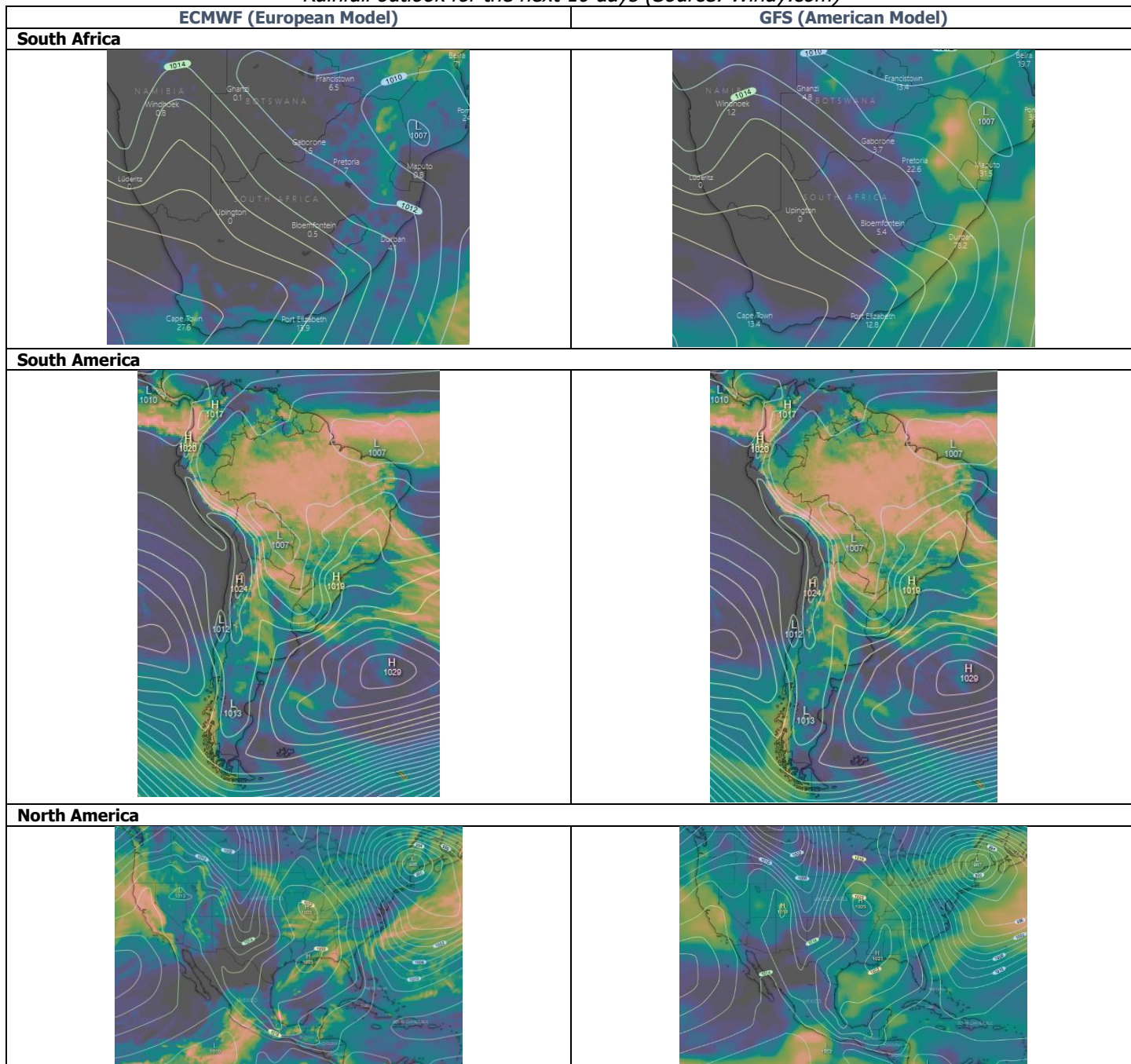
When the US-China trade dispute intensified earlier this year, most market participants assumed China could never completely cut US soybeans out of its import program due to the sheer volume the country consumes. However, the US soybean season has reached its typical peak export week and Chinese buyers are still nowhere in sight, worrying analysts that China may have pulled off the impossible.

According to the head of Argentina's soy industry chamber, discussions to allow Argentine soy meal livestock feed to enter China are developing at a slower-than-hoped pace amid bureaucratic issues, including Chinese demands to inspect local crushing plants.

Agribusiness consultancy AgRural expects Brazilian soybean farmers in Mato Grosso may start harvesting the crop before the end of December as the pace of planting has been the fastest in history. Mato Grosso farmers, who have enjoyed great weather and an excellent start to the season, have basically finished planting. Brazil's overall soy planting reached 89% of an estimated 35.8 million hectare area in the 2018/19 season, compared with a historical average of 78%.

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

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



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