

The Weekly Weighbridge

10 October 2019

Important facts for the week

- The Rosario grains exchange is expecting that Argentina will harvest 47.5 MMT of corn this season, which lower than the previous estimate of 50 MMT as producers contend with dry weather and political uncertainty which favours soybean planting.
- According to the Buenos Aires Grains Exchange, Argentina's 2019/20 wheat harvest is estimated at 19.8 MMT referring to bad weather as is the main reason for decrease of its previous 21 MMT estimate.
- US soybean exporters had a record fourth quarter with the soybean market still hopeful for renewed Chinese business. The US exported 4.93 MMT of soybeans in August, a record for the month and the third consecutive monthly record, according to data by the US Census Bureau.

ZAR/mt							Week					
10 October 2019							03 October 2019	Move				
SAFEX	Dec'19 White Maize	R	2,975	R	2,904	R 71	ZAR/USD		R	15.10	R	15.14
SAFEX	Mar'20 White Maize	R	2,939	R	2,902	R 37	EUR/USD		\$	1.1028	\$	1.0964
SAFEX	Dec'19 Yellow Maize	R	2,900	R	2,812	R 88	ZAR/EUR		R	16.66	R	16.60
SAFEX	Mar'20 Yellow Maize	R	2,840	R	2,781	R 59	ZAR/GBP		R	18.52	R	18.66
SAFEX	Dec'19 Soybeans	R	6,058	R	6,017	R 41	Important dates					
SAFEX	Mar'20 Soybeans	R	5,965	R	5,957	R 8						
SAFEX	Dec'19 Sunflower	R	5,856	R	5,795	R 61						
SAFEX	Mar'20 Sunflower	R	5,851	R	5,814	R 37						
SAFEX	Dec'19 Wheat	R	4,615	R	4,614	R 1	10/10/2019	Weekly producer deliveries				
SAFEX	Mar'20 Wheat	R	4,715	R	4,720	R (5)	11/10/2019	Weekly Imports and exports				
							12/10/2019	Weekly USA export intentions				
Export Parity							Import Parity					
USD/mt							Week	ZAR/mt				Week
FOB Origin							03 October 2019	Move	Origin Country	Protein level		Move
Soybeans									Wheat		FCA Durban	
SA	Dec'19 Soybeans	\$	426	\$	423	\$ 3	US (HRW)	Spot Wheat	10.1%	R	4,912	R 33
US	Dec'19 Soybeans	\$	360	\$	357	\$ 3	US (SRW)	Spot Wheat		R	4,952	R 56
Brazil	Dec'19 Soybeans	\$	371	\$	368	\$ 3	Germany	Spot Wheat	11.0%	R	4,644	R 27
Argentina	Dec'19 Soybeans	\$	353	\$	353	\$ (0)	France	Spot Wheat	10.1%	R	4,514	R 85
							Russia	Spot Wheat	11.0%	R	4,525	R 1
							Australian APW	Spot Wheat	9.2%	R	4,925	R (25)
SA	Dec'19 Yellow Maize	\$	204	\$	199	\$ 5	Argentina	Spot Wheat	10.6%	R	4,947	R 54
Maize									Wheat		FCA Randfontein	
US	Dec'19 Yellow Maize	\$	177	\$	175	\$ 2	South Africa	Spot Wheat	12.0%	R	4,540	R (46)
Argentina	Dec'19 Yellow Maize	\$	157	\$	156	\$ 1						
Brazil	Dec'19 Yellow Maize	\$	173	\$	171	\$ 1						
Black Sea	Spot Yellow Maize (non GM)	\$	164	\$	163	\$ 1						
									Yellow Maize		FCA Klipheuwel	
SA	Dec'19 White Maize	\$	214	\$	210	\$ 4	US	Dec'19 Yellow Maize		R	3,607	R 44
							Argentina	Dec'19 Yellow Maize		R	3,276	R 22
							Brazil	Dec'19 Yellow Maize		R	3,509	R 30
US	Dec'19 White Maize	\$	224	\$	222	\$ 2	South Africa	Dec'19 Yellow Maize		R	3,300	R 88
Mexico	Dec'19 White Maize	\$	235	\$	235	\$ -						

News for the week

Corn/Maize

International corn prices traded higher this past week after plunging temperatures and heavy snow snowstorm is expected over large parts of the upper US Plains of the Northern Corn Belt that could impact corn yield during harvest. Technical selling before the USDA Report also supported prices.

According to the Buenos Aires Grains Exchange, about 20.6% of Argentina's 2019/20 corn crop has been planted thus far, which is a 4.6% increase from last week. Corn is planted in two stages in Argentina and the early corn is 33% planted compared to 36% last year and 39% average. The condition of the early corn is rated 7% poor, 57% fair and 35% good.

The Rosario grains exchange is expecting that Argentina will harvest 47.5 MMT of corn this season, which lower than the previous estimate of 50 MMT as producers contend with dry weather and political uncertainty which favours soybean planting.

Private analytics firm IEG Vantage lowered its estimate of the average US 2019 corn yield to 167.5 bushels per acre (bpa), from 169.6 bushels per acre (bpa) a month ago. The firm estimated corn production at 0.347 billion MT, which is lower than the previous figure of 0.353 billion MT.

South African (SA) maize prices traded higher for White Maize and Yellow Maize for December 2019 and March 2020 due to higher international prices.

Wheat

International wheat prices traded sideways in the past week with the market participants shifting focus to the demand for wheat. The IGC left world wheat production unchanged at 28.072 billion bushels with Egypt buying 10.8 million bushels from Russia and Ukraine this past week.

According to Morocco's grains and cereals agency, Moroccan imports of soft wheat is expected to increase to a total of 3.8 MMT in the 2019/2020 season, with France delivering 65% of that total. Last season, Morocco imported a total 2.6 MMT of soft wheat.

FranceAgriMer increased its estimate for French soft wheat exports this season. In supply and demand estimates, the agency increased its estimate of French soft wheat exports outside the EU in 2019/20 to 11.7 MMT from 11.0 MMT estimated last month.

According to the Buenos Aires Grains Exchange, Argentina's 2019/20 wheat harvest is estimated at 19.8 MMT referring to bad weather as is the main reason for decrease of its previous 21 MMT estimate.

South African (SA) wheat prices traded sideways this past week with December 2019 and March 2020 trading mainly sideways as international prices are also trading sideways.

Soybeans

US soybeans traded higher in the past week after the USDA reported a soybean transaction with private buyers from China, this is supporting prices due to the higher demand for US Soybeans and lifting hopes a US-China trade deal will be reached.

Scarce rainfall in Brazil's main soybean producing regions at the start of the season will result in the replanting of some areas where farmers risked planting with low moisture. The lack of rain is causing soybean planting delays and can increase the risk of delays in planting of Brazil's second crop, which is either corn or cotton that farmers typically plant after the soybeans is harvested.

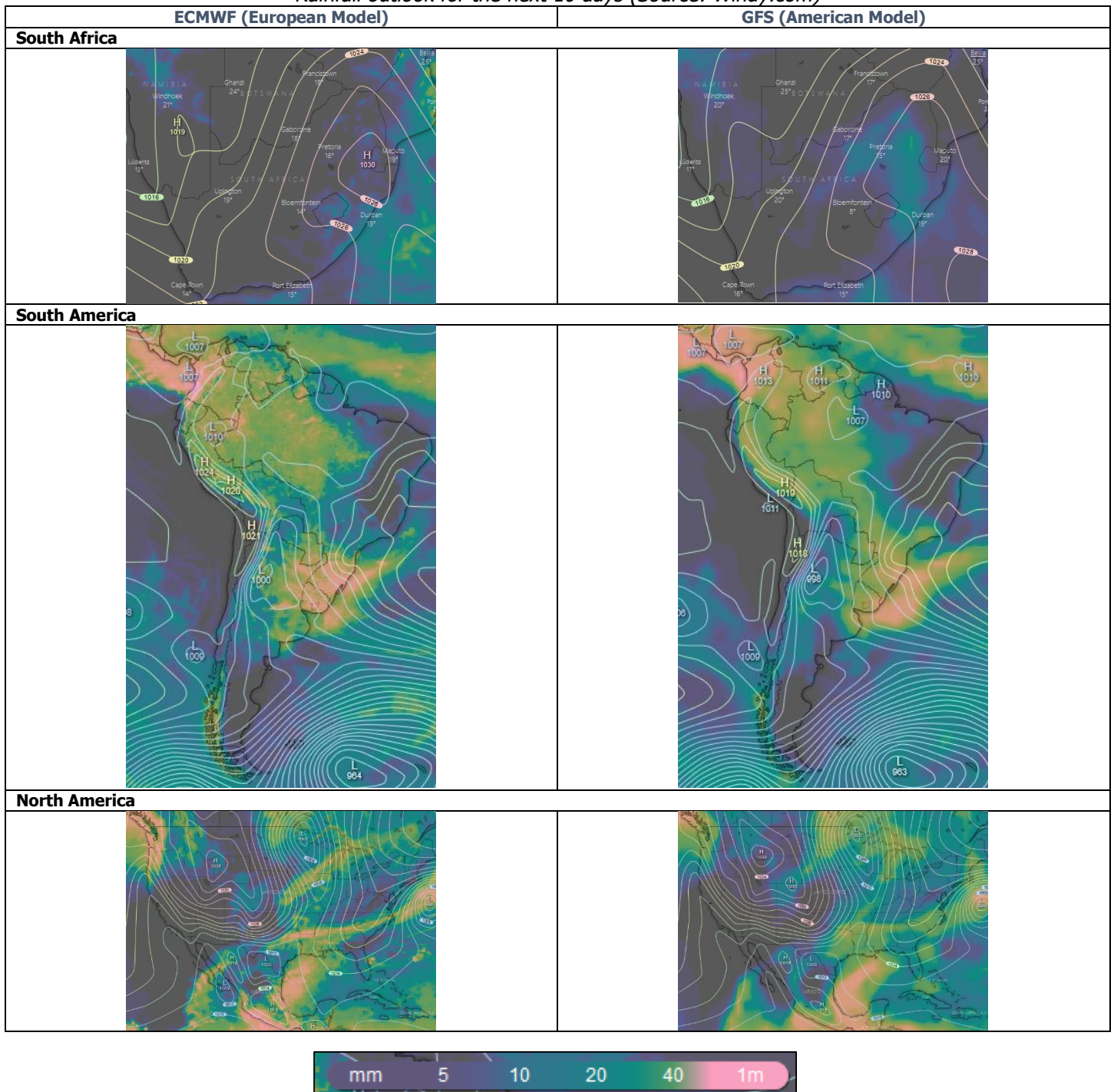
Brazil's second largest producing state, Parana in the country's south, reported about 10% of the area intended to plant have been planted. That is the slowest start in seven years and well behind last year's record planting pace of 29%. In Brazil's largest producing state of Mato Grosso have planted 6.65% of the estimated area thus far for the 2019/2020 soybean crop, which is below the 12.6% pace seen at this time last year due to scarce rainfall. Mato Grosso farmers, who harvested an estimated 32.45 MMT of soybean in the last crop, had planted 1.7% of the estimated area last week.

According to US data, Chinese importers increased purchases of US agricultural goods ahead of high-level trade talks in Washington, including another wave of soybean deals and the country's record largest weekly purchase of American pork. According to the USDA, private exporters sold 398 000 MT of US soybeans to China, which is reported with its daily sales reporting system that tracks large purchases. It was the second daily sale of soybeans this week to the world's top soybean importer, China.

US soybean exporters had a record fourth quarter with the soybean market still hopeful for renewed Chinese business. The US exported 4.93 MMT of soybeans in August, a record for the month and the third consecutive monthly record, according to data by the US Census Bureau.

South African (SA) soybean prices traded higher for December 2019 and March 2020 this past week due to higher international prices.

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



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