

# The Weekly Weighbridge

## 20 March 2019

### Important facts for the week

- The consumption of Maize for use in animal feed in Japan has grown with close to 1 % in comparison to data in the previous year.
- The USDA on Monday reported weekly U.S. Wheat exports of 353,727 tonnes which was below the expectations for 400 000 to 700 000 tonnes.
- In Australia farmers are postponing buying fertiliser and other products they typically use to protect their crop, as a drought across the country's East Coast darkens the outlook for the rural sector in one of the world's top exporters of grains.
- Brazilian Soybean exports are expected to fall with 20 percent this year from a record number of 80 million tonnes in 2018, but official trade data released on Monday shows a strong current flow of Beans to foreign destinations, at least for now. The amount of exports expected amount to 70 million tonnes.

ZAR/mt					20 March 2019					13 March 2019					Week Move				
SAFEX	May'19 White Maize	R	2,920	R	2,974	-R	54	ZAR/USD		R	14.46	R	14.41						
SAFEX	Jul'19 White Maize	R	2,979	R	3,031	-R	52	EUR/USD		\$	1.1351	\$	1.1325						
SAFEX	May'19 Yellow Maize	R	2,738	R	2,699	R	39	ZAR/EUR		R	16.42	R	16.33						
SAFEX	Jul'19 Yellow Maize	R	2,750	R	2,701	R	49	ZAR/GBP		R	19.13	R	19.22						
SAFEX	May'19 Soybeans	R	4,910	R	4,836	R	74	<b>Important dates</b>											
SAFEX	Jul'19 Soybeans	R	4,993	R	4,935	R	58	20/03/2019 Weekly producer deliveries											
SAFEX	May'19 Sunflower	R	5,550	R	5,448	R	102	21/03/2019 Weekly Imports and exports											
SAFEX	Jul'19 Sunflower	R	5,525	R	5,416	R	109	21/03/2019 Weekly USA export intentions											
SAFEX	May'18 Wheat	R	4,675	R	4,592	R	83												
SAFEX	Jul'19 Wheat	R	4,710	R	4,631	R	79												

Export Parity					Import Parity									
USD/mt					ZAR/mt									
FOB Origin					Protein level									
13 March 2019					FCA Durban									
Week Move					FCA Randfontein									
<b>Soybeans</b>					<b>Wheat</b>									
SA	May'19 Soybeans	\$	371	\$	365	\$	5	US (HRW)	Spot wheat	10.1%	R	4,642	-R	19
US	May'19 Soybeans	\$	352	\$	351	\$	1	US (SRW)	Spot wheat		R	4,487	R	61
Brazil	May'19 Soybeans	\$	351	\$	351	\$	-0	Germany	Spot wheat	11.0%	R	4,837	R	70
Argentina	May'19 Soybeans	\$	332	\$	331	\$	1	France	Spot wheat	10.1%	R	4,347	R	84
<b>Maize</b>					<b>Wheat</b>									
SA	May'19 Yellow Maize	\$	210	\$	207	\$	3	Russia	Spot wheat	11.0%	R	4,591	-R	24
SA	May'19 Yellow Maize	\$	223	\$	226	\$	-4	Australian APW	Spot wheat	9.2%	R	4,569	-R	7
US	May'19 Yellow Maize	\$	171	\$	170	\$	2	Argentina	Spot wheat	10.6%	R	4,577	-R	2
Argentina	May'19 Yellow Maize	\$	162	\$	164	\$	-2	<b>Wheat</b>						
Brazil	May'19 Yellow Maize	\$	170	\$	172	\$	-2	South Africa	Spot wheat	12.0%	R	4,621	R	29
Black Sea	Spot Yellow Maize (non GM)	\$	171	\$	170	\$	1	<b>Yellow Maize</b>						
					<b>FCA Klipheuwel</b>									
US	May'19 Yellow Maize	R	3,356	R	3,356	R	48	US	May'19 Yellow Maize	R	3,356	R	48	
Argentina	May'19 Yellow Maize	R	3,139	R	3,139	-R	17	Argentina	May'19 Yellow Maize	R	3,139	-R	17	
Brazil	May'19 Yellow Maize	R	3,256	R	3,256	-R	16	Brazil	May'19 Yellow Maize	R	3,256	-R	16	
South Africa	May'19 Yellow Maize	R	3,188	R	3,188	R	39	South Africa	May'19 Yellow Maize	R	3,188	R	39	
					<b>White Maize</b>									
					<b>FCA Randfontein</b>									
US	May'19 White Maize	R	3,871	R	3,871	R	50	US	May'19 White Maize	R	3,871	R	50	
Mexico	May'19 White Maize	N/A	N/A	N/A	N/A	N/A	N/A	Mexico	May'19 White Maize	N/A	N/A	N/A	N/A	
(Wheat quality based on 12 % moisture & import tariff included)														
Wheat	Published Tariff	R	490.70											

### Corn/Maize

US Corn prices are drifting as the market awaits any new news regarding the ongoing trade negotiations between China and the US, which could reopen the Chinese market to various imports of commodities from the United States.

The May Corn contract CK9 was up 0.1 percent at \$3.72 a bushel. Wet weather conditions in parts of the U.S. could disrupt corn planting, while in the Northern Midwest, record amounts of snow still have to melt, which could delay proceedings further.

The consumption of Maize for use in animal feed in Japan has grown with close to 1 % in comparison to data in the previous year. At this stage funds are net sellers of Corn.

South African (SA) White maize prices traded lower for July 2019 this past week with improved moisture after much needed rain the previous week, while South African Yellow Maize prices traded sideways.

### Wheat

Chicago Wheat Futures rose on Tuesday as short-covering along with the hope of an increase in export demand supported the prices, the lacklustre U.S. export performance limited further increase in prices.

The Chicago Board of Trade most-active May Wheat contract WK9 was up 0.8 percent standing at \$4.60-1/2 a bushel 1217 GMT. Monday's drop of 1.2 percent was attributed to technical selling as well as sluggish export demand for U.S. Wheat supplies. An advisor at a top brokerage said on Monday: "we continue to see solid tender demand globally, even though not quite reflected in the weekly U.S. sales yet." Wheat from the European Union as well as the Black sea are most popular at the moment.

The USDA on Monday reported weekly U.S. Wheat exports of 353,727 tonnes which was below the expectations for 400 000 to 700 000 tonnes.

There are more fears regarding flooding in the U.S. which may in turn delay the planting of the spring Wheat crop.

Ethiopia's government has issued an international tender to buy 400 000 tonnes of milling Wheat, various traders said on Monday. Jordan's state grain buyer decided to not make a purchase in a recent tender for 120 000 tonnes of milling Wheat which closed on Tuesday, however there were only two participating companies in the tender. Jordan has struggled to buy Wheat as well as Barley in recent months after changing their terms for quality as well as payment which discouraged participation by international trading houses.

In Australia farmers are postponing buying fertiliser and other products they typically use to protect their crop as a drought across the country's east coast darkens the outlook for the rural sector in one of the world's top exporters of grains.

South African (SA) Wheat prices traded higher this past week for March 2019 with ZAR Weakness being the main contributor.

### Soybeans

Along with Corn as previously mentioned, prices are drifting as the market awaits any new news regarding the trade dispute between the U.S. and China. The May 2019 Soybeans contract SK9 fell 0.08 percent to \$9.05 a bushel.

Brazilian Soybean exports are expected to fall with 20 percent this year from a record number of 80 million tonnes in 2018, but official trade data released on Monday shows a strong current flow of Beans to foreign destinations, at least for now. The amount of exports expected amount to 70 million tonnes.

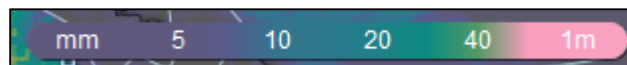
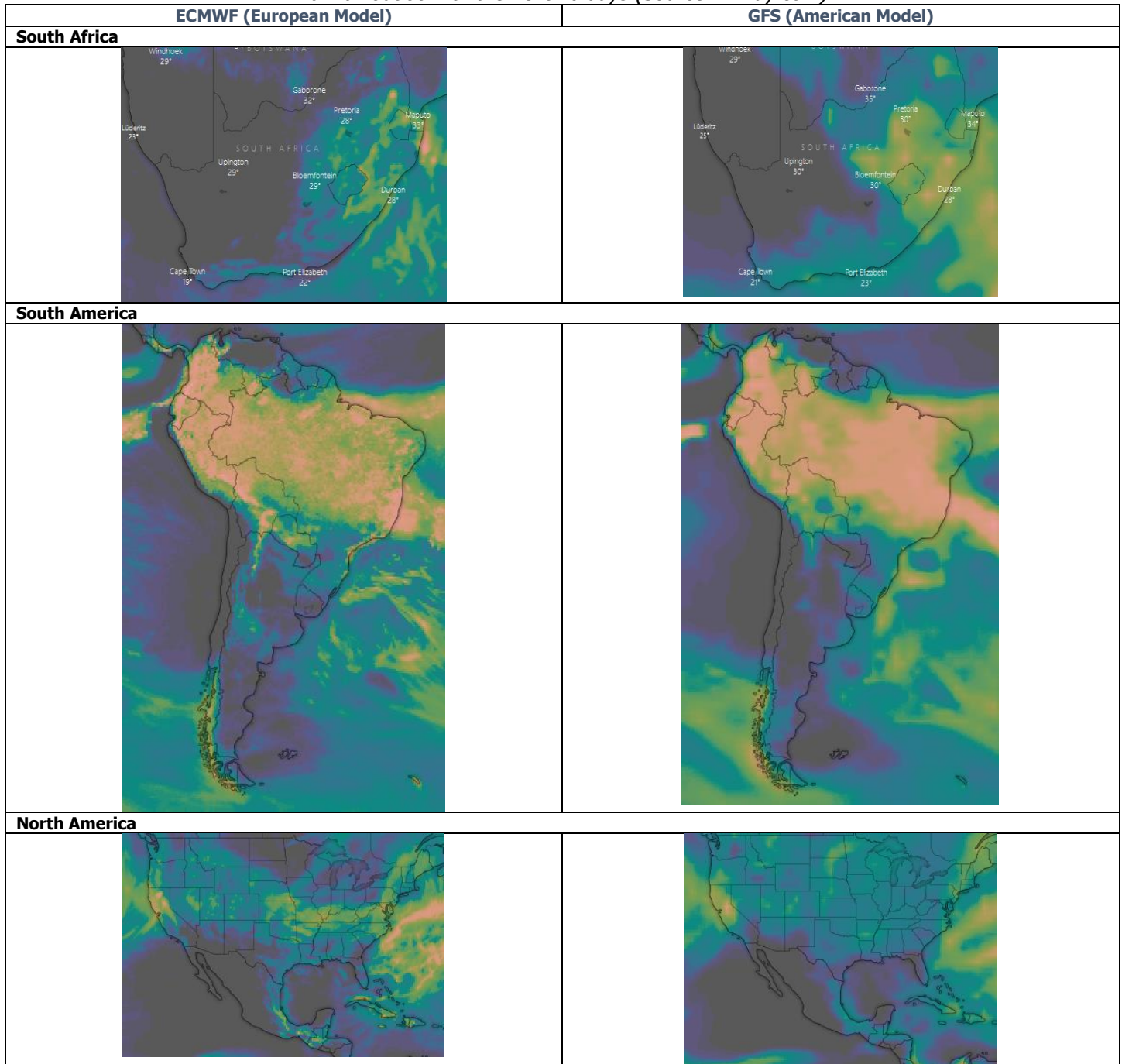
The reason for the strong exports at the current moment from Brazil are a result of farmers harvesting much earlier than normal this year after plantings were completed sooner at the beginning of the season. Brazil's trade ministry reported soy exports averaged 532 000 tonnes per work day so far in March which is 26.9 percent more than the same month a year ago.

Frequent outbreaks of African swine fever in various pig herds across China have inadvertently helped Beijing in their latest efforts to avoid buying U.S. Soybeans while trade negotiations are still underway. However, the deadly disease could have longer term effects on the trade between the two countries as the impact lingers for years. The U.S. attaché for Agriculture in Beijing forecasted last week that China's total swine inventory for the year 2019 would be down 13 percent to 374 million head, largely due to the African Swine flu, as 115 cases have been reported as of last week.

According to the USDA China's 2018/2019 Soybean import demand will fall 6 percent on the year to 88 million tonnes, which would be their first year on year decline since a 21 percent drop experienced in 2003/2004 after global Soybean crops faltered that year.

South African (SA) soybean prices traded higher this past week for March 2019 with pressure on the ZAR the main contributor along with the uncertainty regarding the still ongoing trade dispute between the U.S. and China.

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



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