

INTERNATIONAL MARKET

Table 1: CME Soybean prices and weekly change (cents/bushel)

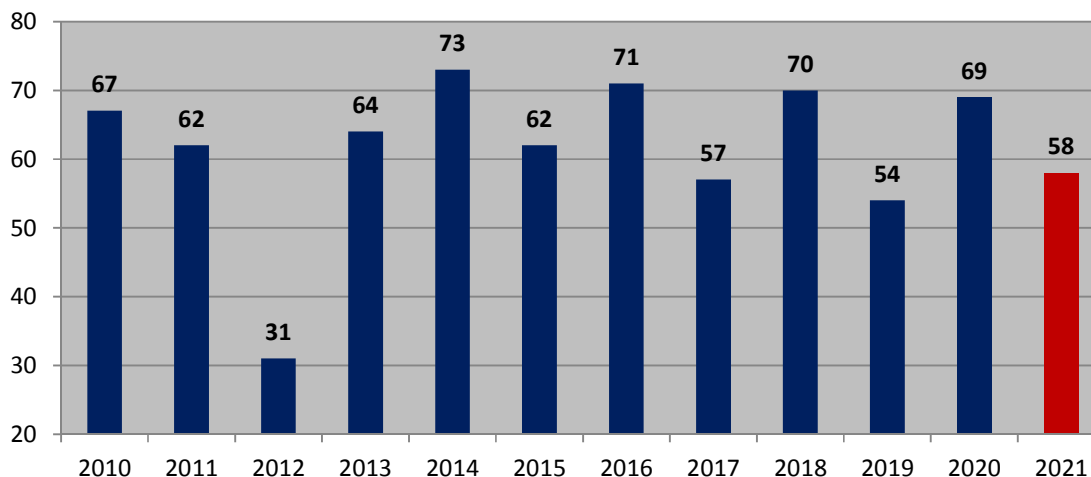
	Currently	22/07/2021	Weekly change (c/bu)	Monthly change (c/bu)
CME Jul-21	1377 ¼	1369	8 ¼	59 ¾
CME Nov-21	1368	1362 ¼	6 ¾	55 ½

- US soybean contracts posted some gains in the past week with both September and November soybeans gaining some ground. On monthly basis US soybean contracts are trading higher with September and November soybeans gaining 4.5% and 4.2% in the past month respectively.
- On the chart for November CME soybeans we see that the market posted some good gains but failed to hold above \$14.00/bushel and prices pulled lower after that. November soybeans are currently finding some support around the 40-day average seen at \$13.62 and the 100-day is seen at support at \$13.31/bushel.
- US soybean contracts traded higher in the past week with the weather in the US Midwest adding some support. Keep in mind that the month of August is viewed as critical for soybean crop development in the US. The higher global vegetable oil prices and the higher global crude oil prices also added some support.

US soybean crop conditions

- The USDA in their weekly crop conditions report indicated that 58% of the US soybean crop could be rated as good/excellent which was 2% lower week/week. The market was looking for the good/excellent rating to remain unchanged to 1% lower.

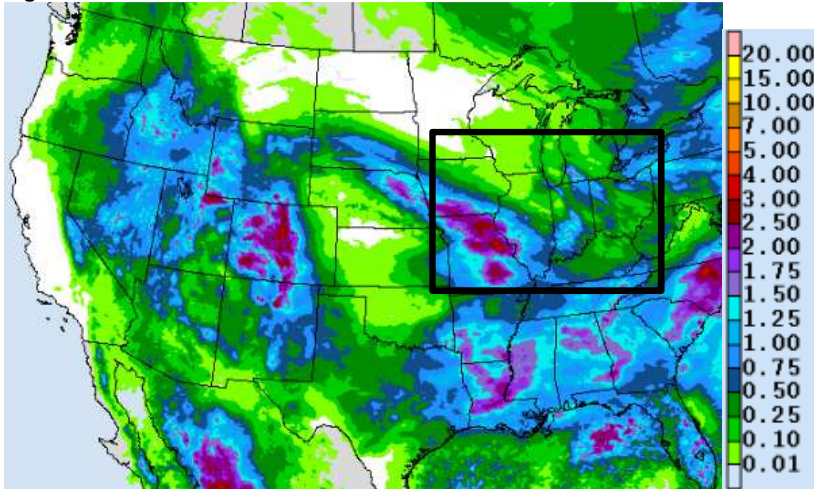
Figure 1: US soybean crop conditions (% good/excellent)



US weather

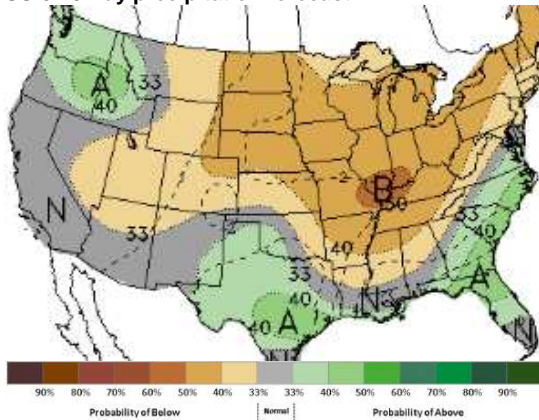
- The weather map below presents the cumulative rainfall forecast for the US in the week ahead. From the weather map below we see that some rainfall is forecasted for the southern and southwestern parts of the US Midwest in the week ahead.

Figure 2: Cumulative rainfall forecast for the week ahead

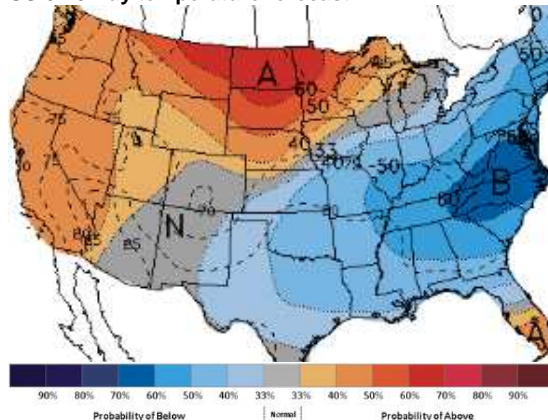


- The extended 6-10 day forecast expects cooler and drier conditions in most of the US Midwest in the 2nd week of the forecast

US 6-10 Day precipitation forecast



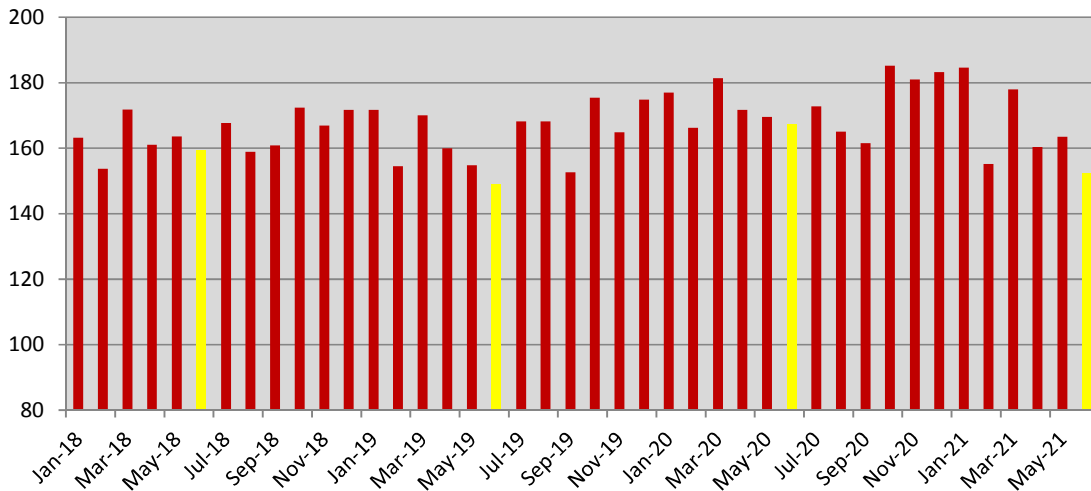
US 6-10 Day temperature forecast



US NOPA soybean crush

- The graph below presents the monthly US NOPA soybean crush seen in the past few seasons. The June 2021 US NOPA soybean crush was reported at 152.4 million bushels which was well below the market expectations seen at 159.4 million bushels. The June 2021 US NOPA soybean crush was the lowest monthly total in the past 2-years. The slow demand side of the US soybean market limited some of the gains in soybean prices.

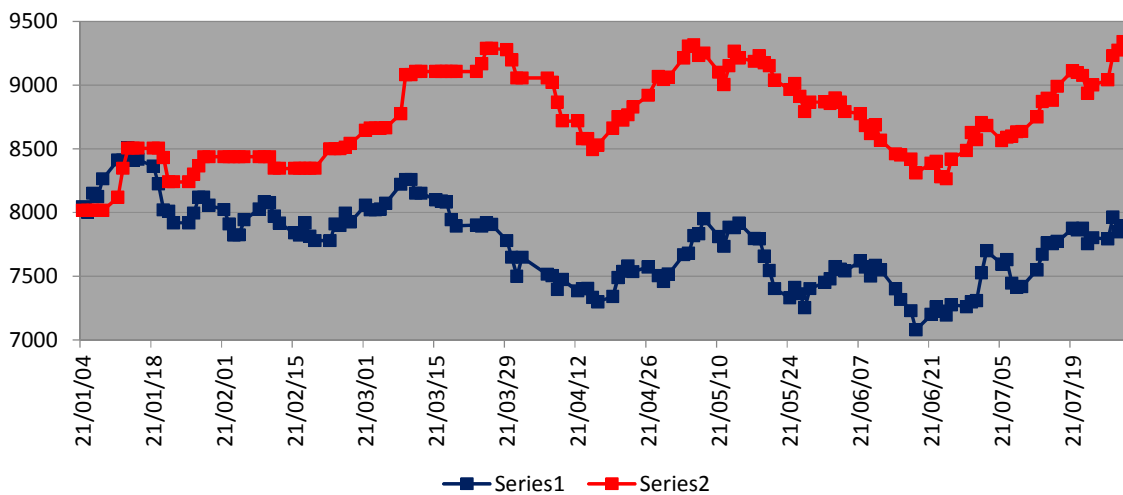
Figure 4: NOPA US soybean crush estimates (mil bu)



LOCAL OILSEED MARKET

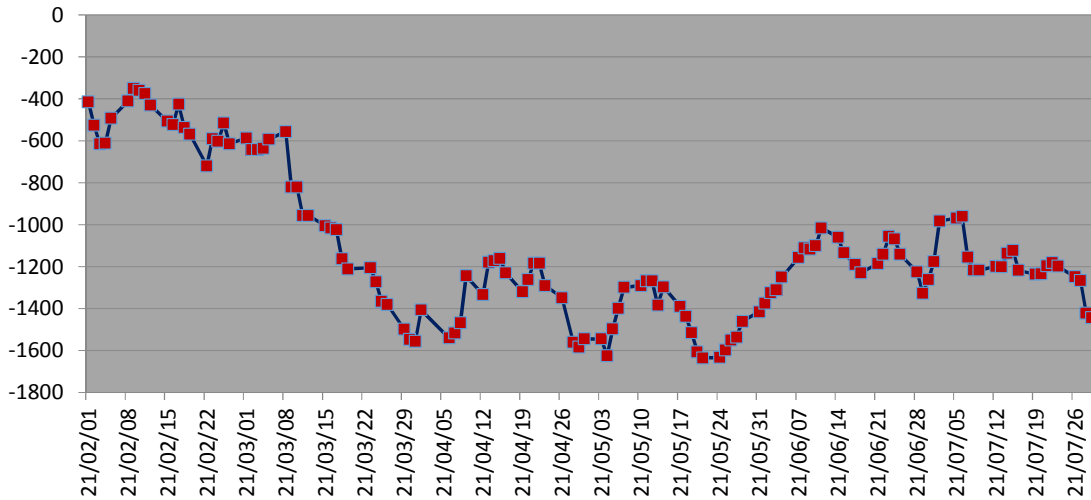
- South African oilseeds posted some gains in the past week with December soybeans and sunflower seed contracts ending 1.84% and 4.54% in the past week respectively. South African oilseeds did get some support from the US soybean prices and the weaker rand that was seen in the past week.
- The rand is currently trading at R14.60/\$ but the rand traded as high as R14.99/\$ in the session on the 26th of July but the rand has pulled lower since. In the session today the posted some strong gains breaking below the 200-day and 9-day averages once again.
- On the chart for July Safex soybeans we see that the market posted some good gains with soybean prices once again getting some resistance just below R8000/ton. On the chart we see that the market is overbought and there could be some divergence between the RSI and prices.

Figure 6: Safex December-21 soybean and sunflower seed prices



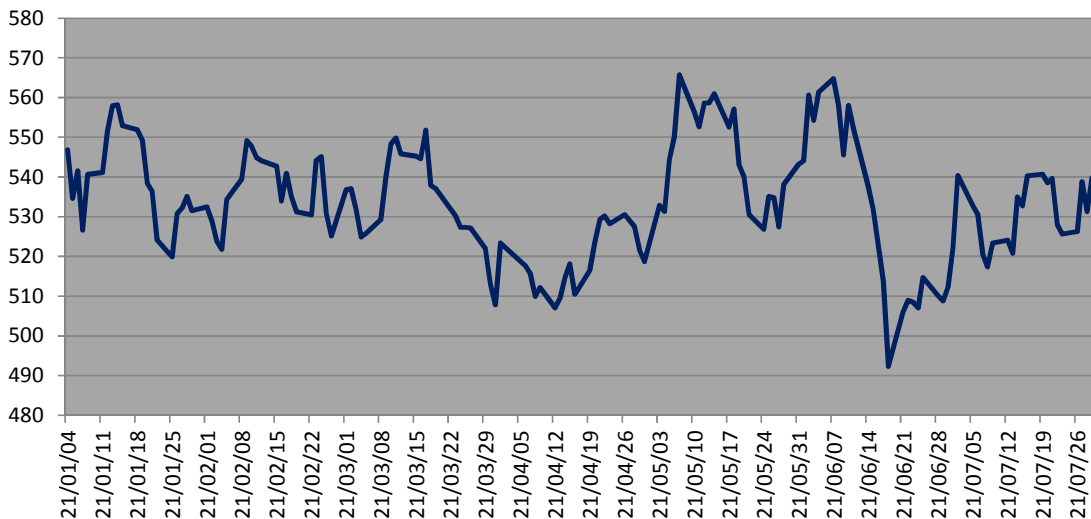
- Graph below presents the December sunflower seed/soybean split seen in the past few months. From the graph below we see that the split broke below the -R1200/ton level in the past week and is currently trading at -R1443/ton. Key support for the split in the past has been the -R1600/ton level.

Figure 7: South African December sunflower seed/soybean split



- The graph below presents the December Safex soybean prices in dollar terms in the past few months. In dollar terms South African soybean prices are trading at \$539/ton which is based on a spot rand of R14.60/\$. In dollar terms South African soybean contracts are flat week/week.

Figure 8: Safex December soybean prices \$/t

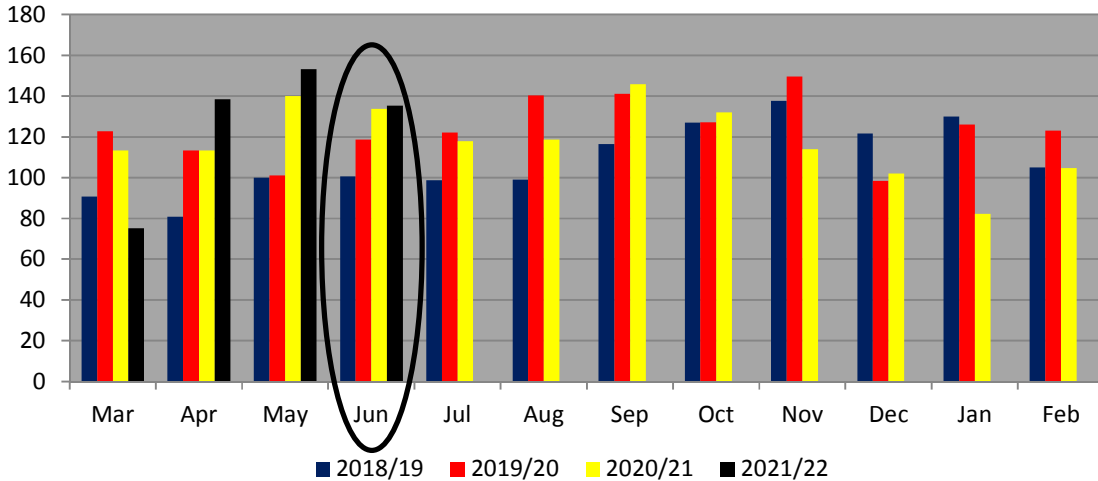


Sagis monthly bulletin

- The Sagis monthly bulletin was released earlier this week. Looking at the South African soybean market we see that on the supply side that 28 792 tons of soybeans was delivered in the month of June 2021 and we did see imports of 268 tons.

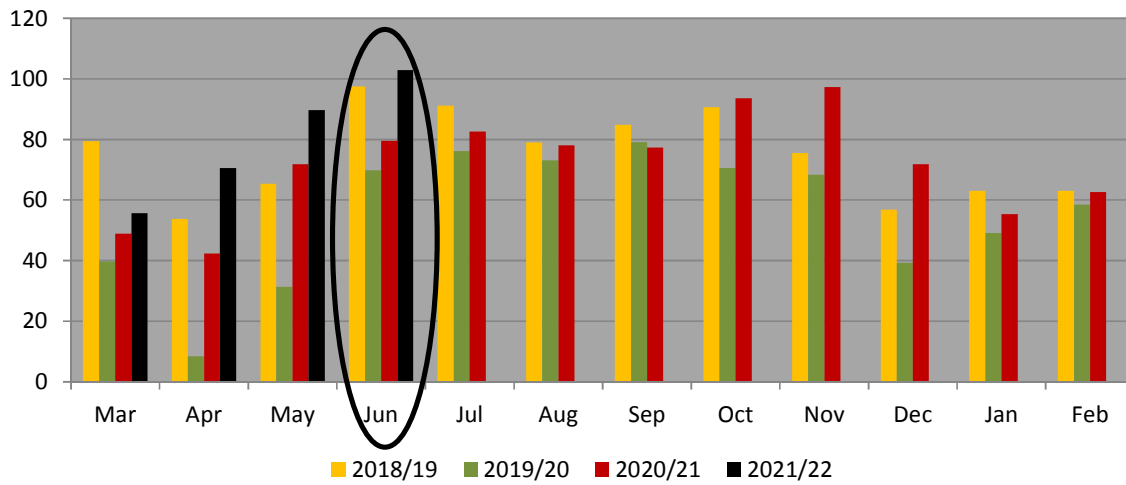
- On the demand side of the South African soybean market we see that the soybeans processed for the local market in June 2021 was reported at 135 361 tons which is down from the 153 202 tons seen in the previous month. The cumulative soybeans processed in the season to date is seen at 502 338 tons compared to the 499 805 tons seen the same time last year.

Figure 9: Monthly soybean processed for local market (000 tons)



- The South African soybean stocks at the end of June 2021 was reported at 1.349 million tons which is 54% higher than the 872 432 tons seen in at the end of June 2020. The average monthly soybean processed for the local market in the season to date is seen at 127 000 tons/month and based on this the South African soybean stocks at the end of June 2021 should be enough for 10.6 months of consumption.
- From the Sagis monthly data for the South African sunflower seed market we see on the supply side that 138 920 tons of sunflower seed was delivered in the month of June 2021 and adding to this we did see imports of 414 tons.
- On the demand side of the South African sunflower seed market we see that the sunflower seed processed for the local market in June 2021 was reported at 102 958 tons which is up from the 89 704 tons seen in the previous month. The cumulative sunflower seed processed for the local market in the season to date is seen at 318 887 tons which is well above the 242 909 tons seen the same time last year.

Figure 10: Sunflower seed processed for local market (000 tons)



- The South African sunflower seed stocks at the end of June 2021 was reported at 329 815 tons which is well below the 570 631 tons seen the same time last year. The average monthly sunflower seed processed for the local market in the season to date is seen at around 80 000 tons/month. Based on this the South African sunflower seed stocks at the end of June 2021 should be enough for 4.1 months of consumption. If demand remains at the current levels of 100 000 tons the stock at the end of June 2021 should be enough for 3.3 months of consumption.

Technical graphs

- Safex July-21 soybean prices
- CME July-21 soybean prices



