

## International oilseed market

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

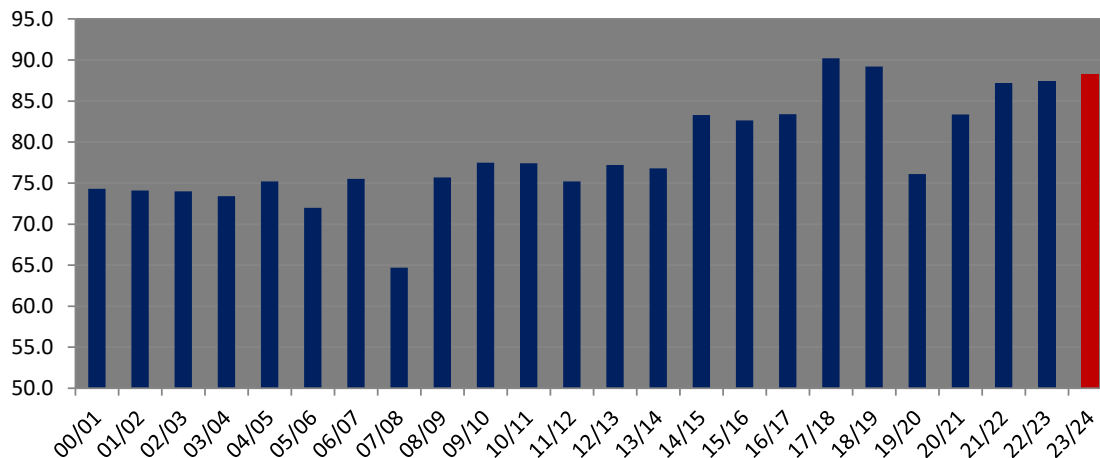
	Currently	22/03/2023	Weekly change (c/bu)	Monthly change (c/bu)
<b>CME May-23</b>	<b>1477 <sup>3</sup>/<sub>4</sub></b>	<b>1448 <sup>1</sup>/<sub>4</sub></b>	<b>29 <sup>1</sup>/<sub>2</sub></b>	<b>-1 <sup>1</sup>/<sub>4</sub></b>
<b>CME Jul-23</b>	<b>1450</b>	<b>1425</b>	<b>25</b>	<b>-19 <sup>1</sup>/<sub>2</sub></b>

- US soybean contracts traded higher in the past week with both May and July CME futures gaining some good ground. On a monthly basis US soybean contracts are still trading lower with July CME giving up 1.3% in the past month.
- On the chart for May CME soybeans we see that the market initially sold off with May soybeans getting some support around \$14.00/bushel on the 24<sup>th</sup> of March and some buying/short covering was seen after that. The market has since broken above some of the key moving averages including the 9-day and 200-day averages.
- US soybean prices traded higher in the past week with some short covering and technical buying that was seen while the higher outside markets especially the weaker dollar seen for most of the past week and the higher crude oil prices adding some spillover support.
- US and world soybean prices are getting some support from the drought conditions experienced in Argentina. Argentina is the largest exporter of soybean meal globally and is experiencing its worst drought in 100-years.

## USDA acreage and stocks report

- The USDA will release their quarterly stocks and new crop acreage estimates in their report on Friday. The average market expectation of the March 1<sup>st</sup> quarterly soybean stocks is seen at 1.742 billion bushels compared to the 1.932 billion bushels seen the same time last year.
- The average market expectation of the US 2023 soybean area planted is seen at 88.242 million acres which is 0.9% higher than the 87.450 million acres planted in 2022.

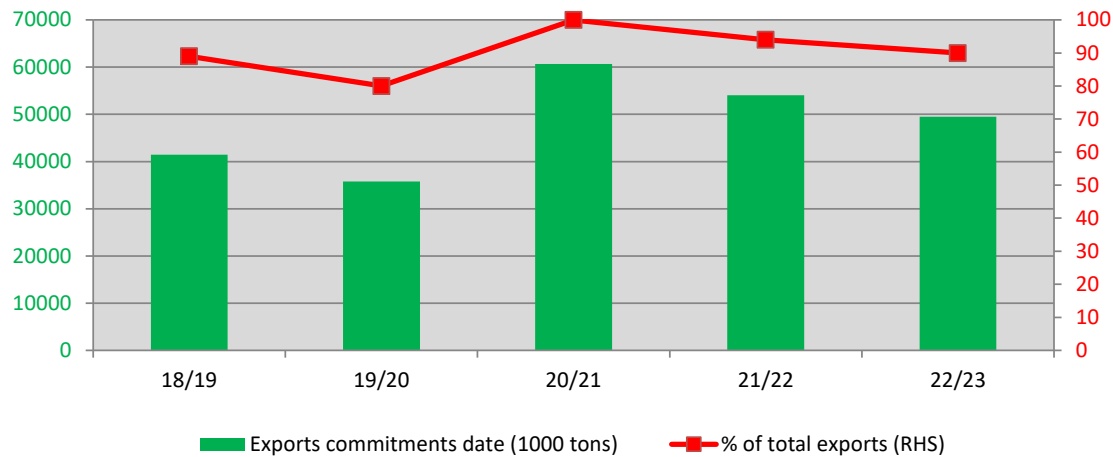
**Figure 1: US Soybean area planted (mil acres)**



### US soybean export progress

- The graph below presents the US soybean export progress seen this time of the year in the past few seasons. From the graph below we see that the 2022/23 US soybeans committed for exports is below the cumulative commitments seen this time of the year in the past few seasons.
- The 2022/23 US soybeans committed for exports represents 90% of the USDA soybean export estimate which is in line with the 5-year average seen at 91% committed this time of the year.

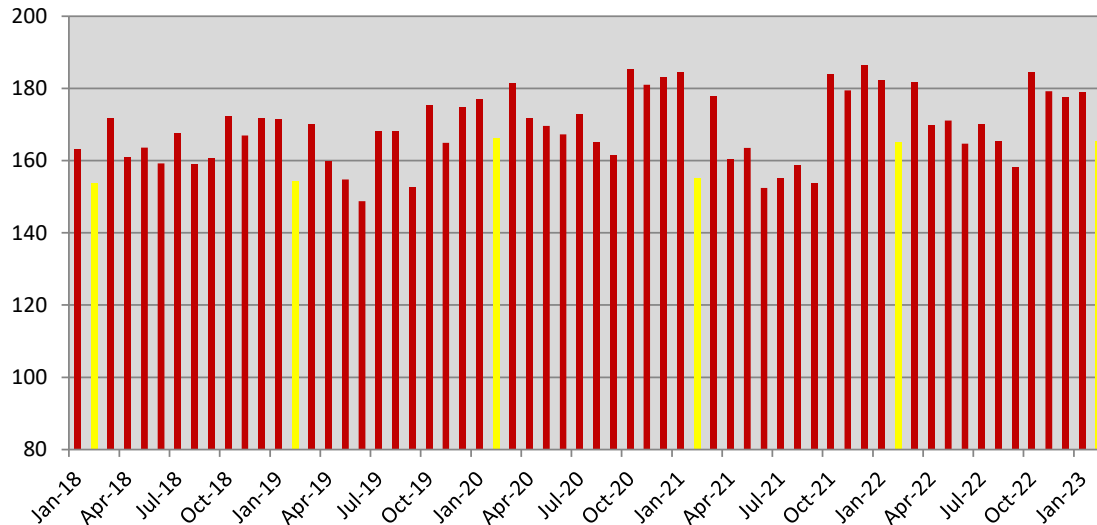
**Figure 2: US soybean export progress (1000 tons)**



### US NOPA soybean crush

- The US NOPA soybean crush for the month of February 2023 was reported at 165.4 million bushels which was slightly lower than the market expectation seen at 166.1 million bushels. The graph below presents US monthly NOPA soybean crush seen in the past few seasons. From the graph below we see that the US NOPA soybean crush usually comes under pressure in the month of February and recovers in the month of March.

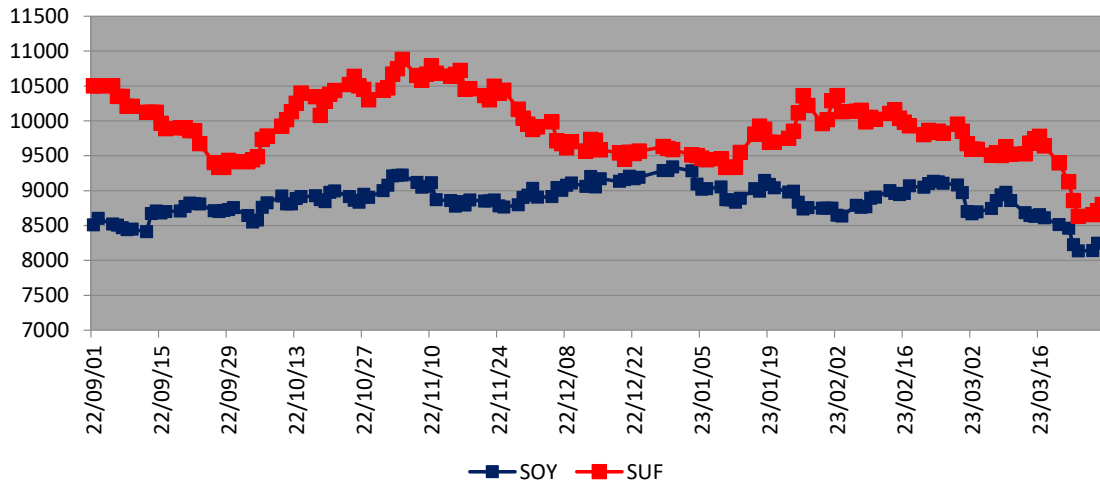
**Figure 3: NOPA US soybean crush estimates (mil bu)**



### LOCAL OILSEED MARKET

- South African oilseeds did come under some pressure in the past week with Safex May soybean and sunflower seed contracts giving up 2.5% and 3.6% in the past week respectively. South African oilseeds were pressured by the stronger rand
- The rand is currently trading at R18.10/\$ compared o the R18.22/\$ seen a week ago. On the chart for the rand we see that the rand broke below the 40-day average in the session today which could see the rand targeting R18.00/\$ once again. The dollar has been slightly weaker against the euro in the past week.
- On the chart for May Safex soybeans we see that the market sold off sharply with May Safex soybeans trading to a low of R7977 and the market pulled off the lows after that. The moving averages and indicators remain under pressure and the soybean market is oversold.

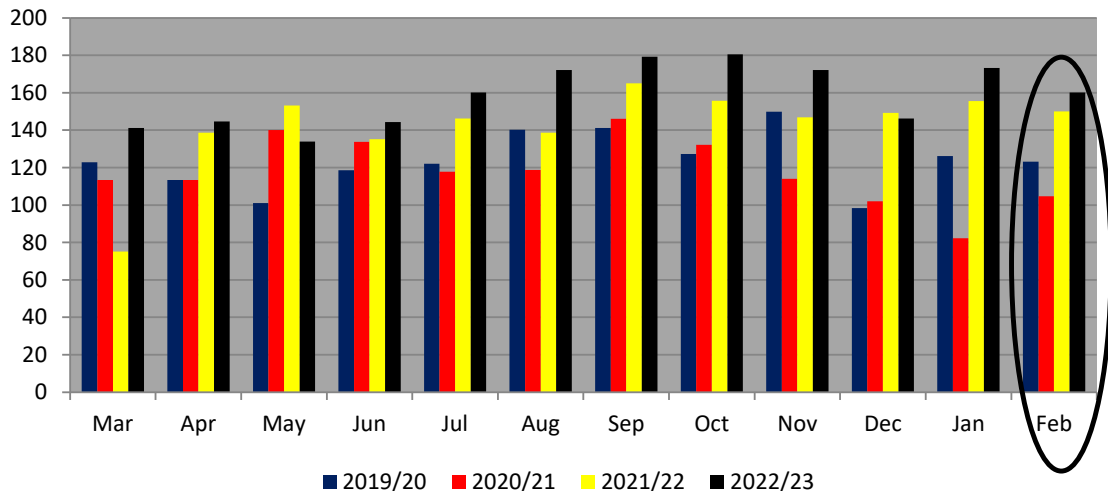
**Figure 4: Safex May-23 soybean and sunflower seed prices**



**Sagis monthly data**

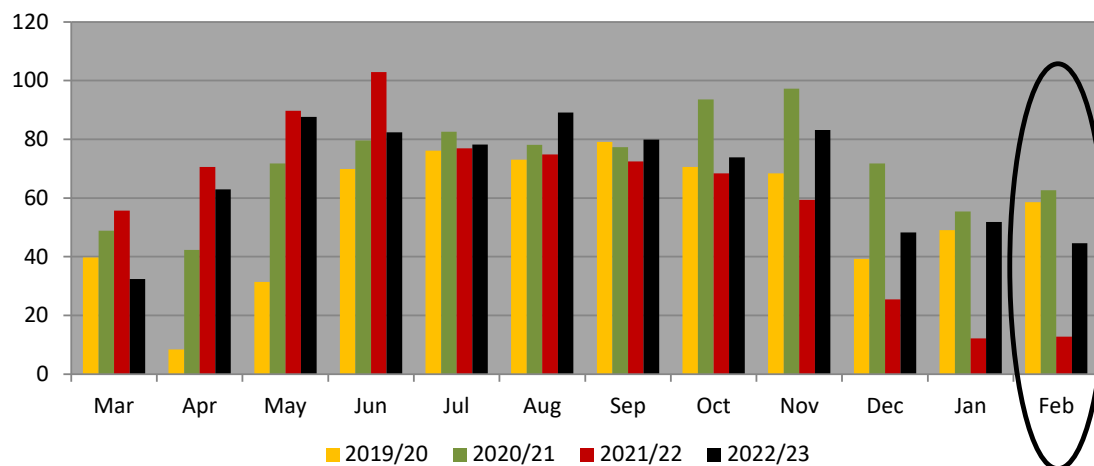
- The Sagis monthly bulletin was released earlier this week. From the data for the South African soybean market we see on the supply side that the producer deliveries in February 2023 was seen at 8 636 tons bringing the cumulative deliveries in the season to date at 2.186 million tons.
- On the demand side of the South African soybean market we see that the total soybeans processed for the local market in the month of February 2023 was reported at 160 129 tons which was down from the 173 199 tons seen in the previous month. The cumulative soybeans processed for the local market in the 2022/23 season was reported at 1.908 million tons which is 11% higher year/year.

**Figure 5: Monthly soybean processed for local market (000 tons)**



- Still on the demand side of the South African soybean market the total soybean exports in the month of February 2023 was reported at 24 841 tons compared to the 27 542 tons seen in the previous month. The cumulative soybean exports in the 2022/23 season were reported at 276 717 tons compared to the 42 295 tons seen in the previous season.
- The South African soybean stocks at the end of February 2023 was reported at 171 902 tons which is very much in line with the 168 387 tons seen the same time last year. The local soybean demand (excluding exports) in the 2022/23 season was seen at around 160 000 tons/month and based on this the soybean stocks at the end of February 2023 should be enough for 1.1 months of consumption.
- From the Sagis monthly data for the South African sunflower seed market we see that on the supply side producer deliveries totaled 870 tons in the month of February 2023 bringing the cumulative deliveries in the season 841 784 tons.
- On the demand side of the South African sunflower seed market we see that the sunflower seed processed for the local market in the month of February 2023 was reported at 44 588 tons which is down from the 51 835 tons seen in the previous month. This brings the cumulative sunflower seed processed for the local market in the 2022/23 season at 815 262 tons which is 12.5% higher year/year.

**Figure 6: Sunflower seed processed for local market (000 tons)**



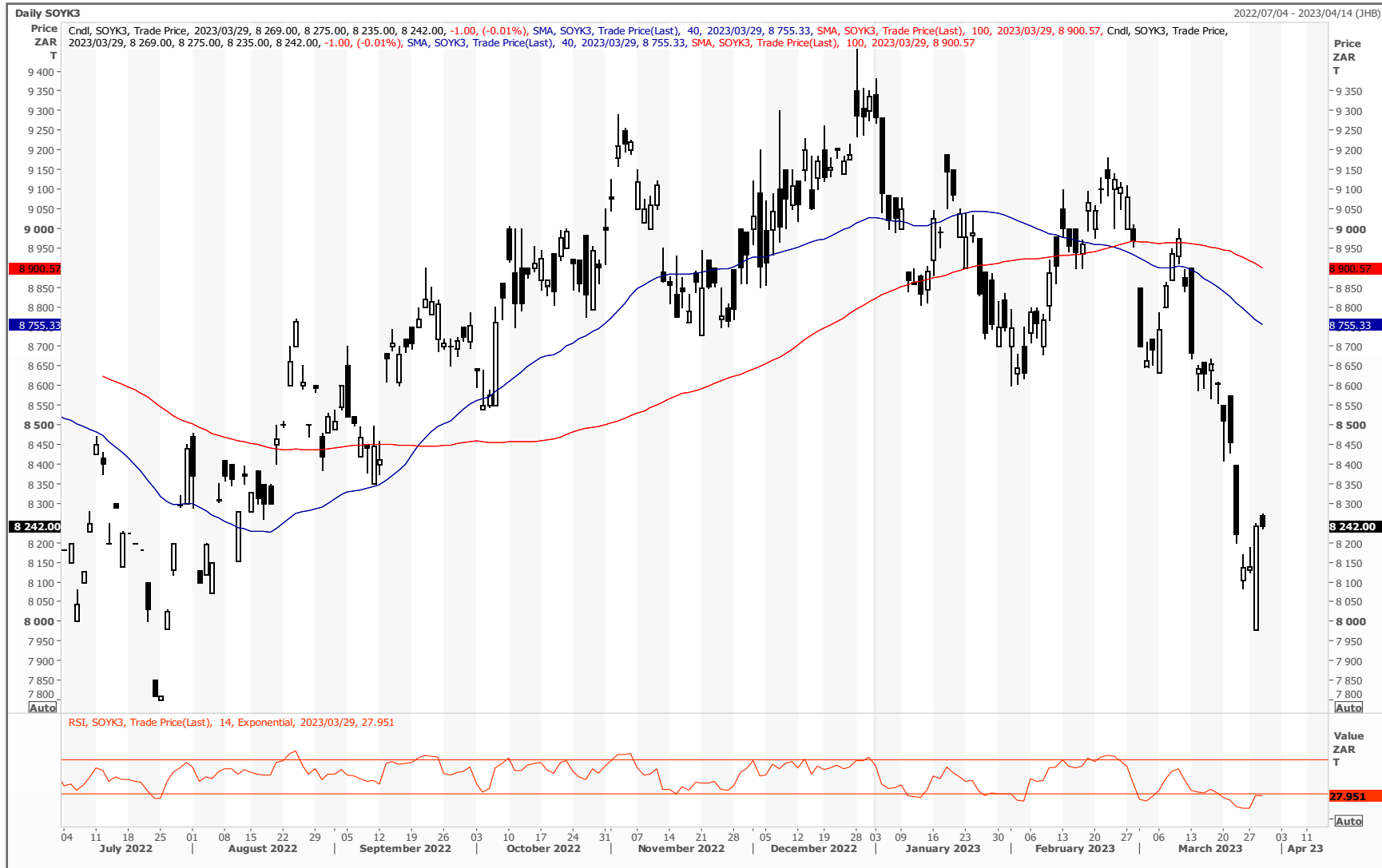
- The South African sunflower seed stocks at the end of February 2023 was reported at 73 298 tons compared to the 31 790 tons of sunflower seed in stock the same time last year. The average local sunflower seed demand (excluding exports) in the 2022/23 season was seen around 65 000 tons/month and based on this the sunflower seed stocks at the end of February 2023 should be enough for 1.1 months of consumption.

### **Technical graphs**

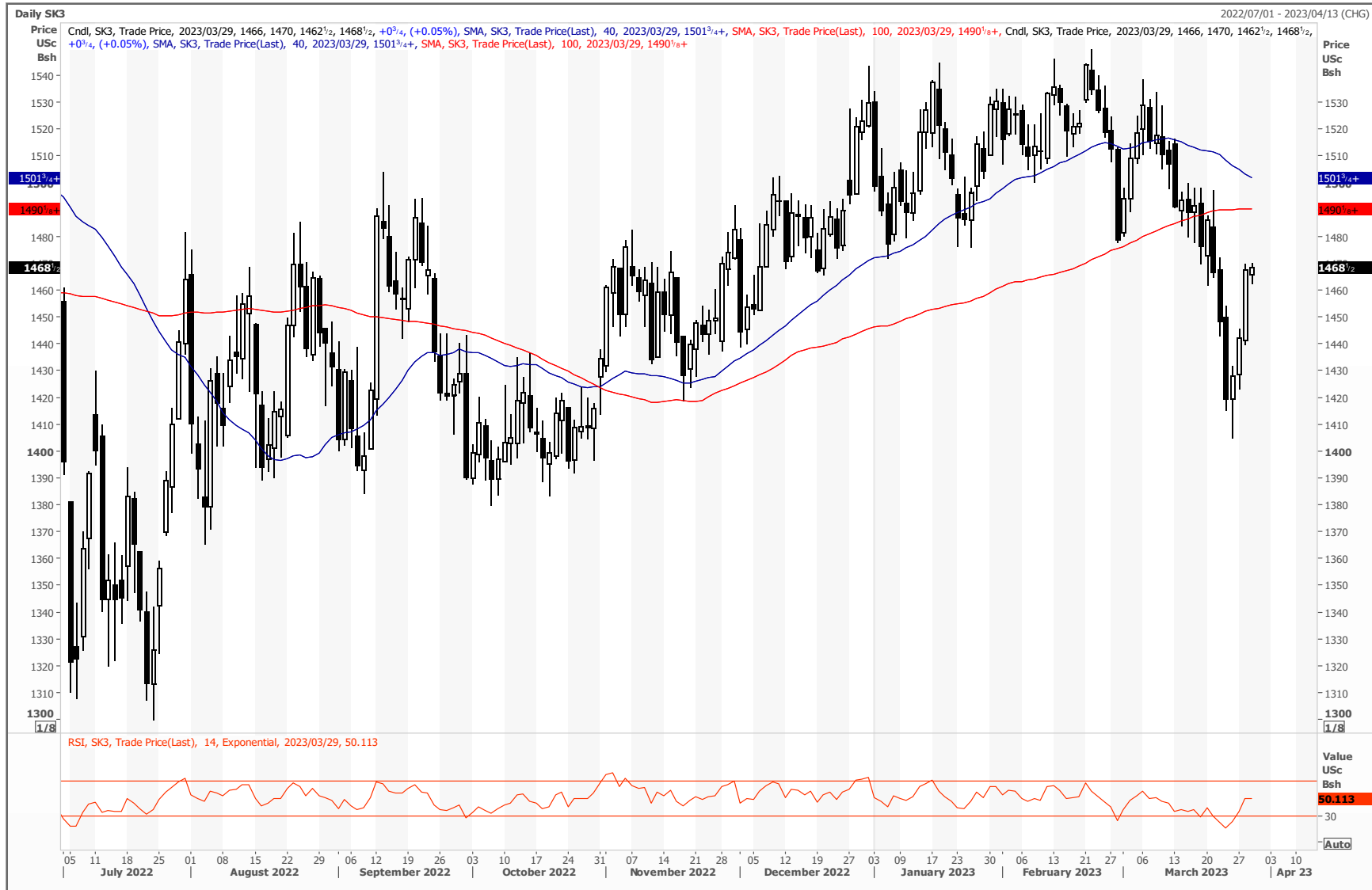
- Safex May-23 soybean prices
- CME May-23 soybean prices



# WEEKLY OILSEED REPORT 30 MARCH 2023



Although everything has been done to ensure the accuracy of the report NeXgro (Pty) Ltd cannot be held responsible for any losses incurred as a result of the use of the information contained in the report



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