

AMT



WEEKLY OILSEED REPORT

23 Oct 2023



- <https://www.youtube.com/@AMTrends>



- AMTsettingthetrend



- amt_info



- amtrends.co.za

Soybean

Spot Price (R/t)

R9 280.00

Spot Price % Change

0.32%

MAY24 Price (R/t)

R8 650.00

MAY24 Price % Change

0.58%



Last Updated:

23 Oct 2023

Sunflower

Spot Price (R/t)

R8 700.00

Spot Price % Change

1.16%

MAY24 Price (R/t)

R8 590.00

MAY24 Price % Change

-0.75%

Exchange Rate

R/US\$

R19.14

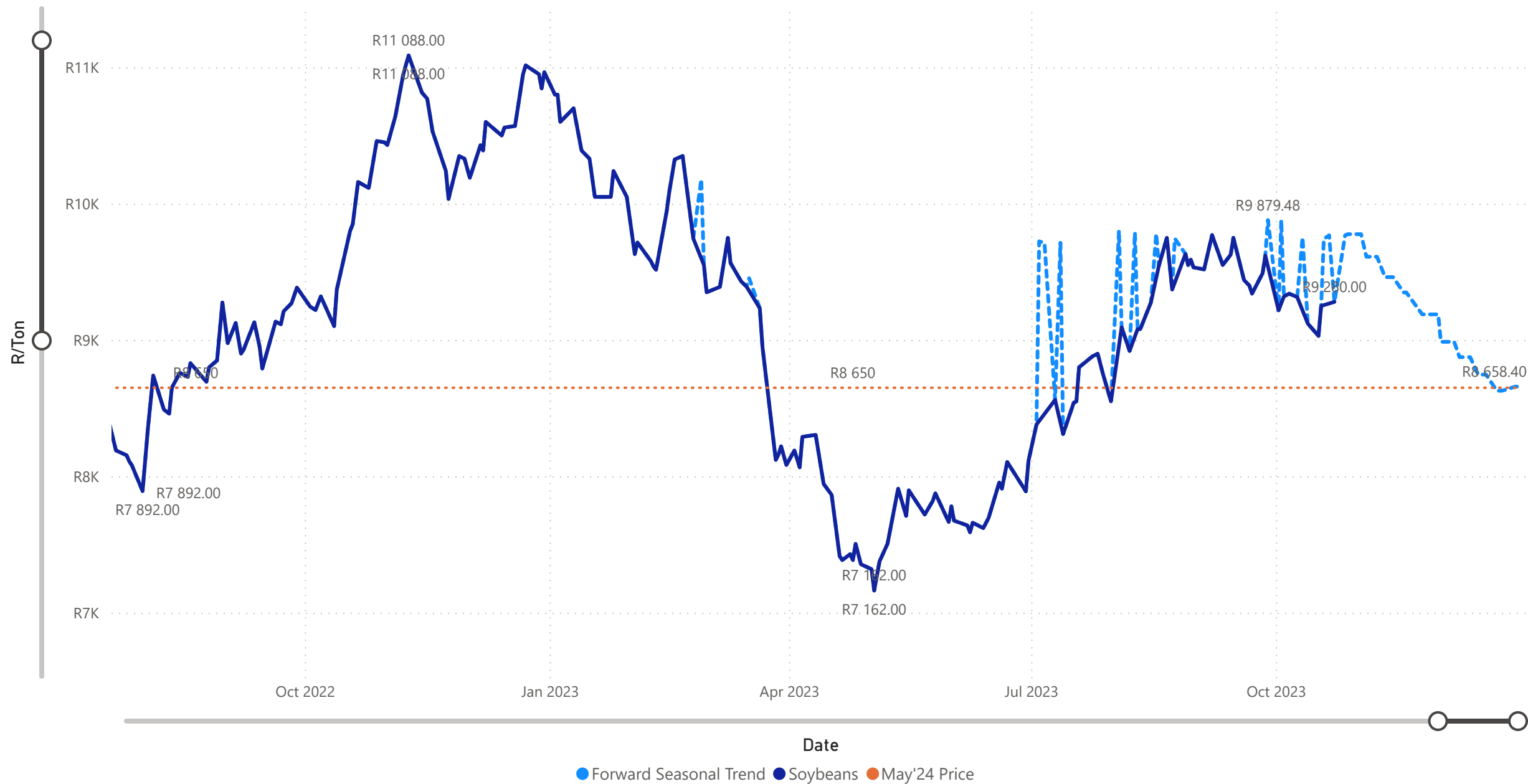
R/US\$ % Change

1.70%

Discussion

Profit-taking came for soybeans on Friday after prices hit a four-week high. Good harvest weather in the US adds to the syrup pressure's price run. Many farmers are busy selling their soybeans on the cash market after prices have risen due to concerns over Brazil's planting delays and slowdown in export shipments, earlier in the week. Louis Dreyfus is going to build a soybean pressing plant in Ohio. Construction will begin early next year and be completed by 2026. The plant will have a capacity of more than 55 million bushels per year, and handle up to 320,000 tons of soybean oil for renewable diesel production. This is good news in theory, but the market hasn't reacted terribly. High interest rates, scarce labour and limited government support for blending, renewable diesel cannot be profitably produced at the moment. So even if all these plants are built, they likely won't be able to operate at full capacity until such time as the EPA increases blending volumes in 2026.

Soybean Forward Price Trend (Spot Price)



Sunflower Forward Price Trend (Spot Price)



Oilseed Market Discussion

0 = Bearish / 50 = Neutral / 100 = Bullish

Bearish Factors

Exchange Rate - The South African rand strengthened last week.

Local Production - Soybeans production rapidly increased. The eastern part of South Africa received some rain and farmers may start to plant.

South America - Higher soybean yields are expected for the upcoming season compared to the 2022/23 season.

North America - Higher soybeans yields are expected than what was anticipated.

Demand - Strong Chinese preferences for cheaper and more abundant Brazilian soybeans adds pressure to US prices.

Bullish Factors

Exchange Rate - The South African rand might come under pressure this week due to the Israel-Hamas conflict and U.S. economic data.

Local Production - El-Nino is predicted and could effect yields for the 2024 season. Rain predictions for the following two weeks are not that good. Drought is delaying the planting season.

South America - Drought in Brazil is posing problems for lower yields.

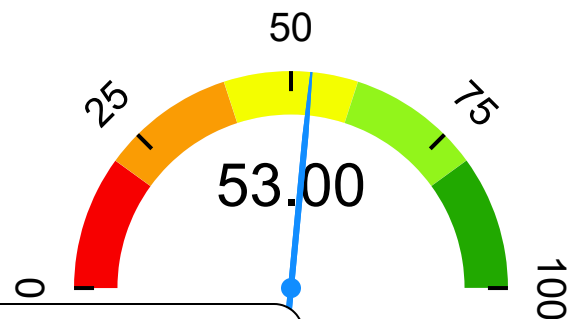
North America - Lower yields are expected than what was predicted.

Demand - None

World Stock - None

Sunflower price - Dry weather conditions in Ukraine, gives support to sunflower prices.

Soybean Bullish/Bearish Gauge



*The gauge is the opinion of AMT and is NOT an exact measure of where prices will go. This is shown merely to illustrate where we feel the market could go over the next week.

Sunflower Bullish/Bearish Gauge

