



Agri Trends

20 April 2018

Low feed prices are positive to the livestock market

The new maize and soybean harvest likely to exceed expectations that will mean that it will take longer to consume the stock of maize and soybeans locally. Due to a poor rate of exports, carry stocks for old season maize by the end of April is large. Typically, exports in previous years have made a significant contribution to reducing maize stocks. Maize prices are trading low and expected to remain low in the medium term. The accumulating stocks will place downward pressure on maize prices for a longer term. Unfortunately, international maize prices are also low because the world stock for maize is also high. At this stage, we must prepare ourselves for a new season of maize to be delivered in a period that will be characterized by a strong Rand. A strong rand reduces the export price of maize. The lower maize prices therefore meant that the cost to feed is low, thereby encouraging fattening of cattle by capitalizing on the feed margin.

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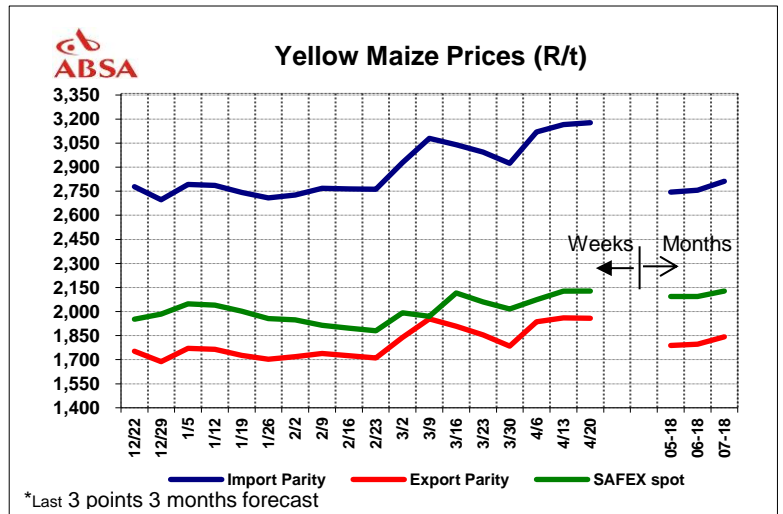
Maize market trends

International

- Week-on-week yellow maize No 2 gulf price marginally increased from US\$176.51/ton to US\$176.66/ton. Plantings in some of the major US maize growing states has progressed slowly or has not yet started due to wet and cold conditions.

Bullish factors

- Solid demand from China was noticed at the first state reserve auctions.
- The maize prospects across the southern and north-eastern regions of Parana state in Brazil is showing signs of moisture stress and growing dryness.
- Plantings in some of the major US maize growing states has progressed slowly or has not yet started due to wet and cold conditions.



Bearish factors

- Favourable timely rains supported crop development in Brazil. Safrinha crop was 92% finished (96% a year ago).
- The second safrinha crop is in very good condition, amid abundant soil moisture.

Domestic

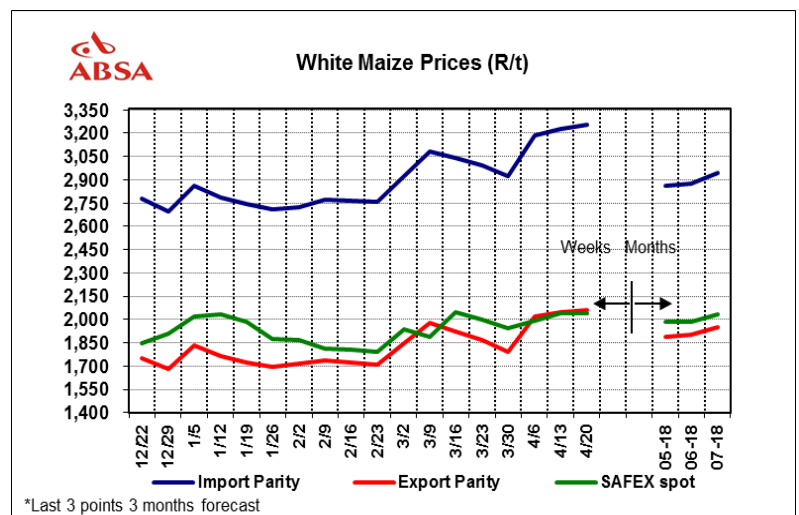
On the April 20th local maize market traded marginally higher week on week. New season white maize prices for delivery in May2018 increased marginally from R1976/ton up by 0.35% (R7/ton) to R1983/ton, Jul2018 contracts increased marginally week-on-week by 0.5% (R10/ton) from R2023/ton to R2033/ton. Week-on-week new season yellow maize prices for delivery in May2018 increased by 0.48% (R10/ton difference) from R2084/ton to R2094/ton. Prices for delivery in Jul2018 for yellow maize were recorded at R2127/ton a 0.47% increase from R2117/ton.

Bullish factors

- Industry anticipates more exports to pick up, due to possible ship bookings.

Bearish factors

- The maize crop is in very good condition. Late planted crops received some good rains in good time.
- The National Crop Estimate Committee will be releasing its third production forecast on 25 April 2018. High likelihood that the maize production could be higher than the second estimate of 12.4 million ton.
- Slightly stronger Rand



- New season maize deliveries for April were very slow, falling short of the previous season's trends. Lower prices are not supporting early deliveries.
- Exports remain sluggish, irrespective of lower prices.

Outlook

Local

Large maize carry-over stocks, another large commercial maize crop on the way and lower prices likely to keep maize prices low in the 2018 calendar year. Slower early deliveries (due to lower prices and late-planted crops) and sluggish exports also keep maize prices on the defensive.

International

Maize prices found support in solid demand from China at the first state reserve auctions. Warmer temperatures are expected for the upcoming week (ending 29 April 2018) in the US. Conditions expected to support planting progress.

Yellow Maize Futures: 20 April 2018	May-18			Jul-18			Sep-18			Dec-18		
CBOT (\$/t)	150.39			153.93			156.88			160.62		
SAFEX (R/t)	2094			2127			2177			2233		
SAFEX (R/t) <i>Change week on week (w/w)</i>	10			10			13			13		
May-18			Jul-18			Sep-18						
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call				
2,140	51	5	2,160	94	61	2,220	126	83				
2,100	24	18	2,120	72	79	2,180	104	101				
2,060	8	42	2,080	54	101	2,140	84	121				

Table 2: Weekly average white maize futures and estimated option prices

White Maize Futures 20 April 2018	May-18			Jul-18			Sep-18			Dec-18		
SAFEX (R/t)	1983			2033			2083			2151		
SAFEX (R/t) <i>Change w/w</i>	7			10			5			6		
May-18			Jul-18			Sep-18						
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call				
2,020	47	10	2,080	103	56	2,120	136	99				
1,980	23	26	2,040	80	73	2,080	114	117				
1,940	8	51	2,000	61	94	2,040	94	137				

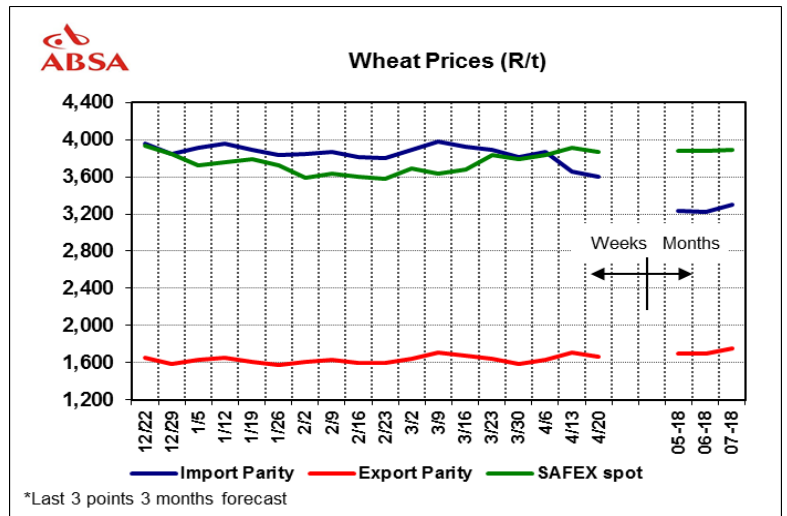
Wheat market trends

International

The weekly average old season HRW wheat Gulf price declined from US\$188.59/ton to US\$186.367/ton week on week. Weekly average SRW wheat price also declined from US\$202.85/ton to US\$197.29/ton week on week.

Bullish factors

- Sustained worries about the 218/19 wheat crops in North America supported prices. Cold and wet conditions caused spring planting concerns.
- EU's official crop monitoring institution reported the cold and wet weather had slowed down the spring seeding process and hampered the development of some winter-sown crops.
- Railway strikes in France caused some transportation mayhem, supporting wheat prices due to reduced shipments reaching the international market.



Bearish factors

- Heavy global old crop stocks and stiff export competition, turned world wheat prices lower.
- Argentinian wheat planting outlook for 2018/19 was more positive following some rains. Dryness however remained a concern in Australia.
- Russia's wheat production forecast was raised to 39.5 million ton for 207/18 by IKAR.

Domestic

On 20 April 2018, wheat prices for delivery in May2018 decreased 0.8% (R31/ton) from R3906/ton to R3875/ton. Jul2018 prices decreased marginally by 0.8% (R30/ton) from R3916/ton to R3886/ton, week on week.

Bullish factors

- Planting season has not yet started. South Africa has been reducing area under wheat for the past 10 years, making the country more dependent on imports. Weather forecasts indicate a potential late start of the rainy season. Possibly delayed until May or even later.

Bearish factors

- Local farmers expect more wheat to be produced for the new season because weather patterns are expected to become favourable.

- The current wheat import tariff is R394.85/ton. The new calculated tariffs will be made applicable once published. It will first reduce to R294/ton then increase to R437/ton. When these newly calculated tariffs will be published remains an uncertainty.

Outlook

Local

Weather will remain a key factor as the industry is moving closer to wheat planting season. Planting decisions will be made based on a more positive rainfall outlook to make up for the previous season's crop losses.

International

Favourable weather prospects ahead of planting time in Russia and Ukraine, anticipated to lead to another good harvest from these areas. Due to heavy global supplies, prices are expected to trade sideways for the medium term, after rallying for weeks.

Wheat Futures 20 April 2018	May-18			Jul-18			Sep-18		
CME (\$/t)	180.32			186.84			195.57		
SAFEX (R/t)	3875			3886			3865		
SAFEX (R/t) Change w/w	-31			-30			-25		
	May-18			Jul-18			Sep-18		
	Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
	3,920	57	12	3,920	121	87	3,900	164	129
	3,880	32	27	3,880	99	105	3,860	143	148
	3,840	15	50	3,840	80	126	3,820	123	168

Oilseeds market trends

International

The weekly average USA soybean price increased week-on-week from US\$408.95/ton to US\$413.36/ton. US soya oil prices marginally declined from US\$31.58/ton to US\$31.31/ton and soymeal prices traded lower from US\$383.34/ton to US\$378.03/ton.

Market participants are keeping an eye on the weather conditions in the Northern Hemisphere, for all the spring planting conditions in the US (soybeans and maize), Canada (canola) and the CIS countries for sunflowerseed. Argentine soybean crop size remains an uncertainty.

Bullish factors

Soybean:

- Soymeal prices still supported by the prospects of reductions in export supplies for the coming months. The higher US and Brazilian soymeal exports not enough to offset the large shortfall created by the reduced exports from Argentina.
- The South American soybean crop losses has created a large production deficit globally.

Groundnuts:

- Groundnut crop prospects deteriorated in Argentina. Prices soared to US\$1400/t – US\$1450/t, up from an average of US\$1200/t in February 2018. Producers were faced with higher costs of rented land and poor returns in this season. Argentine plantings likely to reduce further in 2018/19.
- Argentine's groundnut shortfall may be offset by Brazil (which reached a new groundnut crop high of 0.34 million ton). The US had a record crop harvested in 2017. The increased dependence from the global market for US groundnut will likely reduce supplies in the near term.

Palm Oil:

- Palm oil has improved its competitiveness in the energy sector vs fossil fuels. Palm oil is more attractive than its ever been in the past 3 years.

Bearish factors

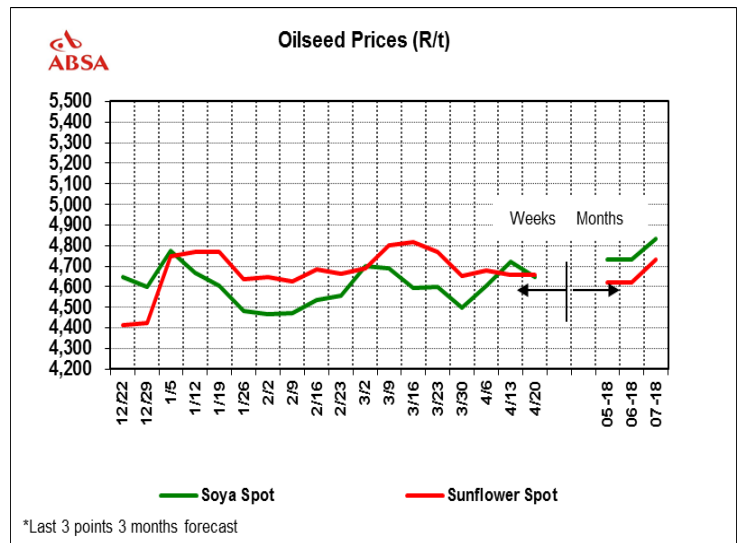
Other Oilseeds:

- Ample supplies of rapeseed and canola in EU, Canada and Australia. The production of surplus vegetable oils in April/Sept 2018 may result in some price pressure. However, in contrast global soymeal, sunflowerseed meal and rapeseed meal remain tight.
- Palm oil prices may potentially decline in the near term. Production is set to pick up in the next 3-5 months. Stocks are anticipated to keep recovering until September 2018. Palm oil prices will potentially keep soy oil prices on the low/defensive.

Domestic

On 20 April 2018, new season sunflower seed prices (May 2018) increased marginally week on week by 0.28% (R13/ton) from R4607/ton to R4620/ton. New season sunflowerseed prices (Jul 2018) also increased by 0.2% (R9/ton) from R4724/ton to R4733/ton.

New season soybean prices increased week on week from (May 2018) prices increased by 0.8% (R38/ton) from R4692/ton to R4730/ton, while Jul 2018 soybean prices also increased by 0.75% (R36/ton) from R4798/ton to R4834/ton.



Bullish factors

- Due to very late plantings of some sunflower crops in the central and western areas, plants will remain vulnerable and susceptible to frost damage should it occur before mid-April, however the probability is low.
- Positive margins at the local crushers.
- A relative stronger Rand weighed prices down.

Bearish factors

- Favourable dry weather conditions forecasted for the coming weeks in the sunflowerseed and soybean-producing regions will likely supporting harvesting conditions.
- Sunflower and soybean seed prices weighed down by international lower soybean and sunflower seed prices. Global vegetable oil production prospects still very favourable and supplies ample.

Outlook

Local

Favourable dry weather conditions forecasted for the coming weeks in the sunflowerseed and soybean-producing regions will likely supporting harvesting conditions. Soybean and sunflower seed crushing margins remain positive, pushing demand for soybeans and sunflowerseed crushing.

International

Soymeal prices still supported by the prospects of reductions in export supplies for the coming months. The higher US and Brazilian soymeal exports not enough to offset the large shortfall created by the reduced exports from Argentina. Market participants are keeping an eye on the weather conditions in the Northern Hemisphere, for all the spring planting conditions in the US (soybeans and maize), Canada (canola) and the CIS countries for sunflowerseed. Argentine soybean crop size remains an uncertainty.

Oilseeds Futures 20 April 2018	May-18	Jul-18	Sep-18	Dec-18					
CBOT Soybeans (US\$/t)**	381.12	385.44	383.79	383.05					
CBOT Soy oil (US c/lb)	31.99	32.14	34.82	33.30					
CBOT Soy cake meal (US\$/t)*	415.38	413.85	409.23	393.52					
SAFEX Soybean seed (R/t)	4730	4834	4933	5044					
SAFEX Soybean seed (R/t) change w/w	38	36	40	44					
SAFEX Sunflower seed (R/t)	4620	4733	4865	4973					
SAFEX Sunflower seed (R/t) change w/w	13	9	10	28					
	May-18			Jul-18			Sep-18		
	Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
	4,660	65	25	4,780	178	131	4,900	208	173
	4,620	42	42	4,740	156	149	4,860	186	191
	4,580	25	65	4,700	136	169	4,820	166	211

*short ton

** Dec 2018 = Jan 2019

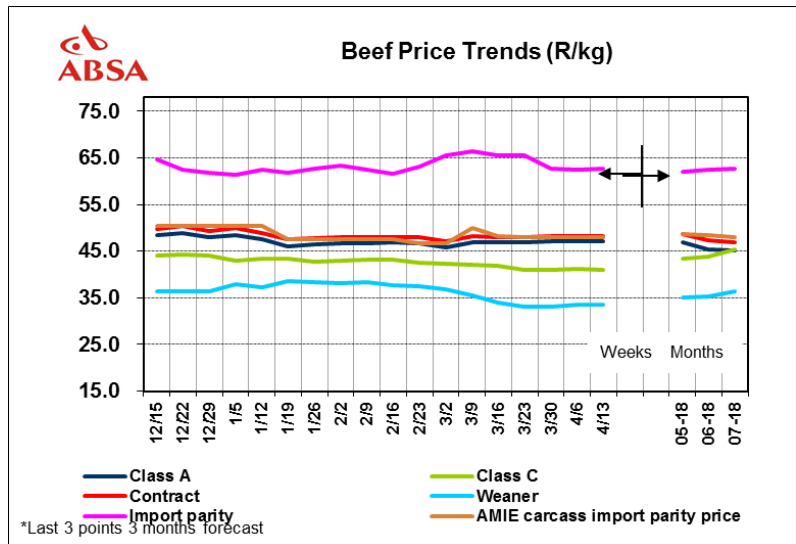
Beef market trends

International

New Zealand steers traded sideways over the past week at 5.35NZ\$/kg and cows traded 0.98% lower at 4.06NZ\$/kg compared to a week ago. In the US, beef prices for the week were mostly higher as follows: Topside traded 0.85% higher at \$216.85/cwt. Rump was 0.87% higher at \$330.19/cwt and strip loin was 2.01% higher at \$638.22/cwt. Chuck traded 0.80% higher at \$204.16/cwt. Brisket traded 0.82% lower at \$262.40/cwt. The carcass equivalent price was 0.86% higher at \$313.94cwt.

Bullish factors

- Australia's key beef export markets are expected to remain strong.
- The positive side, the report said, the possibility of a "big, early Queensland wet season" and the rapid growth in Chinese demand for live exports could have a favourable impact on the year ahead.



Bearish factors

- There is still some anxiety in the market around the trade tensions between China and the US. AgriHQ reported that the concern is not so much about the added tariff costs but more the potential for slower economic growth and the impact that could have on beef demand.
- Meat & Livestock Australia (MLA) produces an annual industry projections report on beef and live exports, this year predicting a challenging year ahead for Australian beef exports, up against increased production and exports from many of our major competitors including the United States and Brazil.
- In its just-released Australian 2018 Beef Cattle Seasonal Outlook, agribusiness banking specialist Rabobank says a combination of increased cattle supply, reduced producer demand and weaker global prices will see domestic cattle prices ease back from the highs reached in 2017 to stabilise at just above five-year averages.

Domestic

Week on week, beef prices were mostly lower across the different classes. The average Class A price was 0.34% lower this week at R47.04/kg. Class C prices were 0.74% lower at R40.88/kg. The average weaner calf prices over the past week decreased by 0.1% to R33.50/kg. The average hide price over the past week showed declines. Overall, the hide market remains bearish due relatively strong ZAR strength and the weak international market. The average hide prices traded 6.5% lower w/w at R8.40/kg green. NB* Hide prices are determined by the average of the RMAA (Red Meat Abattoir Association) and independent companies.

Bullish factors

- 4.6% fewer cattle were slaughtered in February 2018 compared to January 2018. 185 262 head of cattle were slaughtered in February 2018; this is 11% lower year on year. The impact of herd rebuilding is reflective in these numbers.
- Due to the very late plantings, most crops still vulnerable to frost damage.
- Favourable rains improve soil moisture levels, veldt conditions ahead of winter.
- Weaner calf prices remain high compared to previous year levels. Beef feedlots pay too high prices to acquire weaner calves.

Bearish factors

- Cattle producers continue to sell a higher % of female stock (heifers) than normal limiting the rebuilding of the national herd.
- Normally, the increased supply for weaner calves during the weaner season from March until May weigh further on weaner calf prices. This will improve the price margin for feedlots.
- Lower pork prices may weigh on the beef market.

Outlook

Internationally, plentiful beef production may weigh on market prices.

Locally, beef prices strengthened during the Easter period on the back of increased consumer demand during that time. Prices are expected to soften as demand is expected to ease and there is more supply availability in the market. Normally, the increased supply for weaner calves during the weaner season from March until May weigh further on weaner calf prices.

Sheep meat market trends

International

New Zealand lamb prices traded sideways this week compared to last week. Lamb prices closed sideways at NZ\$106.9/head for 15kg lamb. Lamb prices were sideways at NZ\$149.6/head for 21kg lamb. Ewe prices traded sideways at NZ\$102.9/head for a 21kg ewe. The import parity price for lamb was 1.5% higher at R69.57/kg, while the import parity price for mutton was 1.9% higher at R50.31/kg.

Bullish factors

- Export returns in New Zealand are expected to remain stable in medium term outlook. Driving this trend is continuing firm demand for red meat globally which is preventing inventories from building. New Zealand farmers are being paid record seasonal prices for lambs amid tight supplies
- Meat & Livestock Australia's (MLA) Australian sheep industry projections 2018 report showed international demand for live and boxed sheep continues to grow, with the Australian sheep industry described as set to enjoy a robust future. In 2017, Australian sheepmeat exports had their biggest year since 2014.

Bearish factors

- Industry estimates for final season lamb slaughter indicate that there will be more lambs to come out through the remainder of the season compared to last year, however, will still be less than the five year average slaughter for that period.

Domestic

This week, lamb and mutton prices were mostly lower when compared to the previous week except for C grades. Lamb and mutton prices were as follows: The national average Class A carcass lamb prices decreased by 2.7% to R68.12/kg and the average Class C carcass prices increased by 2.5% to R51.60/kg. The average price for feeder lambs traded 8.8% higher at R39.72/kg. The average price for dorper skin is 0.4% higher at R35.13/skin and merinos were 5.8% higher at R86.00/skin.

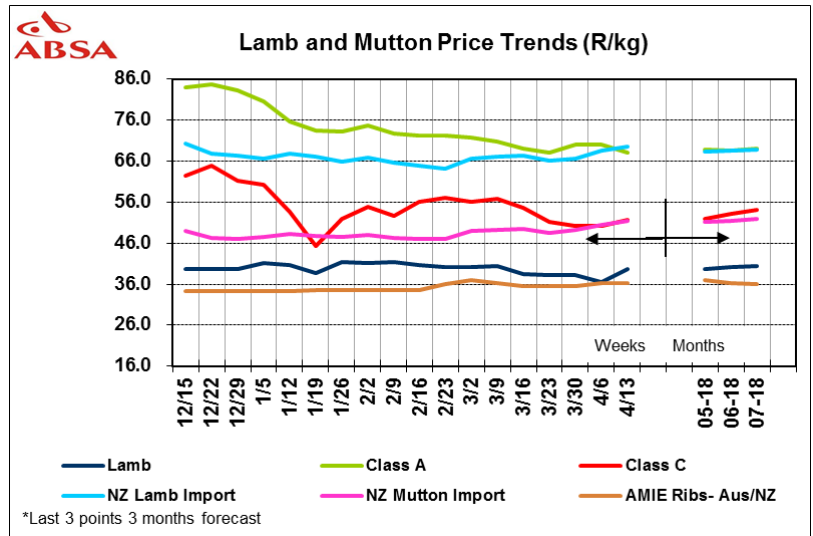
Bullish factors

- 10% fewer sheep were slaughtered in February 2018 compared to January 2018. 286 564 head of sheep were slaughtered in February 2018; this is 23% lower year on year. The impact of herd rebuilding is reflective in these numbers.
- Weather forecasters have confirmed that the best rainfall for the season occurred in the last part of March 2018 over large parts of the summer rainfall area. Favourable rains improve soil moisture levels, veldt conditions and dam levels ahead of winter.

Bearish factors

- Subdued demand during mid-month.
- As of 1 April 2018 there was an increase in VAT (value added tax) from 14% to 15%. This will weigh on the consumer's spendable income. An increase in VAT will also lead to increases in meat product prices and mean that the cost of living is going up and the cost of groceries will most likely increase.

Outlook



Internationally, market conditions continue to support prices, due to tight global supplies.

Locally, it can be expected that prices may trade sideways to lower due to limited demand during mid-month.

Pork market trends

International

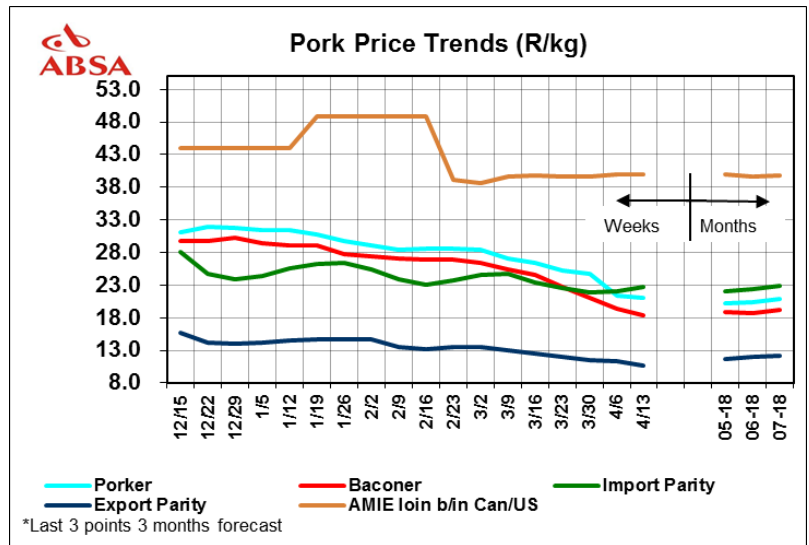
The average weekly US pork prices were mostly lower over the past week. Carcass prices were 4.3% lower at US\$65.67/cwt, loin prices were 1.3% lower at US\$67.05/cwt, rib prices were 2.5% lower at US\$127.35/cwt and ham was 3.4% higher at US\$52.80/cwt.

Bullish factors

- Brazil's Ministry of Agriculture, Livestock and Food Supply (MAPA) is in the final stages of negotiations with key markets, including Indonesia and Russia, to restart exporting beef and pork.

Bearish factors

- China's pork output rose 2.1 percent to 15.4 million tons in the first quarter compared with the period during the prior year, official data showed on Tuesday, after farmers rushed to slaughter their pigs amid a rapid decline in prices. In addition to expansion by large farms, heavy snow in Eastern and Central China before the Lunar New Year holiday in mid-February delayed the transport of pigs from the north to the south, boosting pig supplies in the market after the holiday when demand is typically much weaker.



Domestic

Average pork prices have shown a steady declining trend since January 2018. Average pork prices have declined by between 30% and 40% during the second week of April 2018, compared to the second week of January 2018.

This week, pork prices continued with their declines. The latest average pork prices are as follows: The average porker prices are 1,7% lower at R21.03/kg, while the average baconer prices are 5.3% lower at R18.39/kg. The average cutters prices were 4.2% lower at R19.0/kg and the average heavy baconer price was 7.5% lower at R18.11. The SAU price was 2.1% lower at R14.12/kg.

Bullish factors

- 13% fewer pigs were slaughtered in February 2018 compared to January 2018. 208 118 head of pigs were slaughtered in February 2018; this is 3.3% lower year on year. The impact of herd rebuilding is reflective in these numbers.
- Marketing and promotion campaigns by the pork industry may drive increased pork sales.
- The current low prices of pork may increase consumer uptake of fresh pork cuts.

Bearish factors

- Plentiful supplies in the market.
- As of 1 April 2018 there was an increase in VAT (value added tax) from 14% to 15%. This will weigh on the consumer's spendable income. An increase in VAT will also lead to increases in meat product prices. An increase in VAT from 14% to 15% will mean that the cost of living is going up and the cost of groceries will most likely increase.

Outlook

Internationally, large production from China may weigh on the international market.

Locally, currently there are plentiful supplies of pork in the market, which weigh on prices. Prices are expected to recover towards the medium term.

Poultry market trends

International

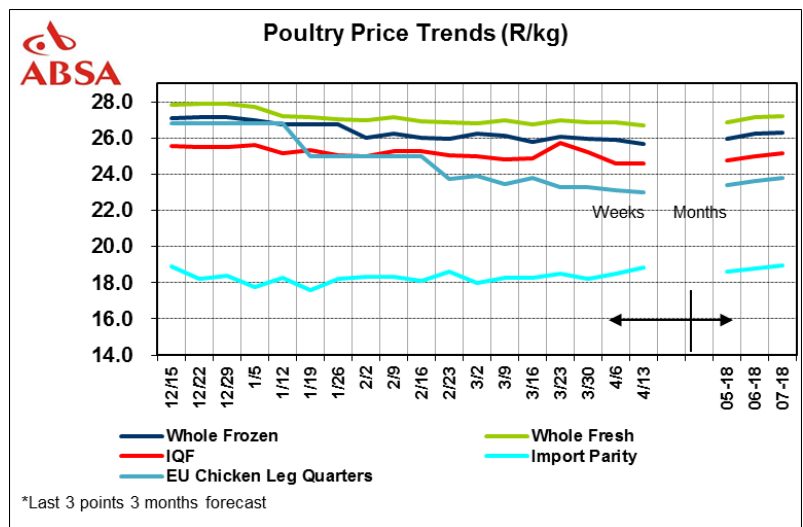
Poultry prices in the US were mixed over the past week. Whole bird prices were 0.37% lower at 108.34USc/lb. Breast traded 9.69% lower at 116.50USc/lb, while leg quarters traded 2.56% higher at 40.00USc/lb.

Bullish factors

- Highly pathogenic avian flu outbreaks have affected countries in Europe, Asia and Africa in the past month. Countries hit are the Netherlands, India, South Africa and Saudi Arabia. AI pressure is considered to be significant, but not at the same levels registered in 2016/2017.

Bearish factors

- Global production is forecast to grow 2% in 2018 to 92.5 million tons, primarily from gains in the United States, Brazil, India, and the European Union (EU). Production is forecast higher in virtually all countries, albeit in some cases moderately.



Domestic

The average poultry prices over the past week were mostly lower. The average prices for frozen birds were 0.90% lower at R25.68/kg during the week. Whole fresh medium bird prices were 0.65% lower at R26.68/kg, while IQF prices were 0.04% lower at R24.59kg.

Bullish factors

- The possibility of new occurrences of bird flu towards June with the return of migratory birds and current detections of AI-infected seabirds in coastal areas. Agriorbit earlier this week reported that the Department of Rural, Environment and Agricultural Development (DREAD) has confirmed that Madibeng and Maquassi Hills in North West have been hit by an outbreak of High Pathogenic Avian Influenza (HPAI), commonly known as bird flu. One of the outbreaks in Madibeng involved a commercial flock, where quails were hatched, grown and slaughtered on the farm. The second involved wild ducks that were kept domestically as pets. The two outbreaks are less than 10km apart. The third outbreak was detected in a semi-commercial farm in Maquassi Hills.

Bearish factors

- The Stats SA monthly prices for February 2018 show that consumer egg prices are showing some slight recovery after having followed increasing trends in the past months due to bird flu.
- Lower pork prices may weigh on the poultry market.
- Favourable feed price environment.

Outlook

Internationally, larger broiler supplies are expected.

Locally, the lower pork market may pose competition to the poultry market.

Livestock prices (R/kg) week 19 April 2018	Beef			Mutton			Pork			Poultry		
	%	Current week	Prior week	%	Current week	Prior week	%	Current week	Prior week	%	Current week	Prior week
Class A/ Porker/ Fresh birds	-0.34	47.04	47.20	-2.7	68.12	70.03	-1.7	21.03	21.38	-0.65	26.68	26.85
Class C/ Baconer/ Frozen birds	-0.74	40.88	41.19	2.5	51.60	50.32	-5.3	18.39	19.41	-0.90	25.68	25.92
Contract/Baconer/ IQF	-0.30	48.15	48.30	-2.9	60.68	70.76	-3.4	19.71	20.40	0.04	24.59	24.58
Import parity price	0.53	62.75	62.43	1.9	51.31	50.36	-2.3	27.1	27.7	2.1	18.9	18.5
Weaner calves/ Feeder lambs	-0.1	33.50	33.52	8.8	39.72	36.50		-	-			
Specific imports: Beef trimmings 80vl/b/ Mutton shoulders/Loin b/in/ chicken leg 1/4	0	48.10	48.10	0	57.90	57.90	0	40.00	40.00	-0.43	23.00	23.10

Wool market trends

International

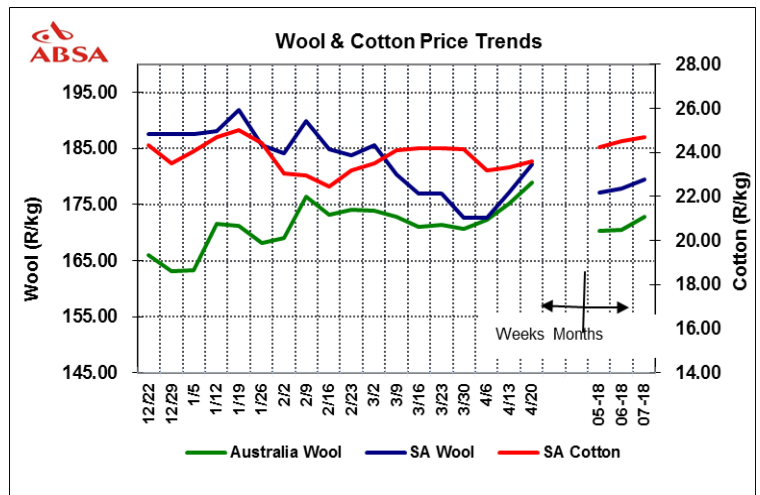
The Australian wool market prices surged after wool supplies worries drove strong buying sentiment. Prices traded at Au1805 c/kg up by 1.58%.

Bullish factors

- The Australian wool market is now moving into its traditional slow period. Autumn shearing is almost complete. There's a slower wool received and lower amounts available in brokers' stores. Due to buyers trying to secure their share of the smaller wool volumes, strong buyer sentiment pushed prices.

Bearish factors

- Australian wool sheep is expected to recover, driven by a 6% production increase over the past 2 consecutive years.
- Quantities is slightly expected to increase in the week ending 27 April 2018, there's currently 43,648 bales recorded for sale in Sydney, Melbourne and Fremantle.



Domestic

The wool market performed stronger at the end of this week. Domestic wool market prices increased and the merino indicator was 2.82% higher to close at R182.13 (clean) at the sale.

Bullish factors

- Demand for quality and fine wool remains strong.
- The market is driven by the growth in demand, notably from China.

Bearish factors

- Analysts do caution that some degree of a downward correction is to be expected.

Outlook

Internationally, the Australian wool market surged for the week ending 20 April 2018. Buyers were out to secure wool, worried about dimming supplies for the rest of the season.

Locally, the South African wool market is positive, driven by strong demand.

Cotton market trends

International

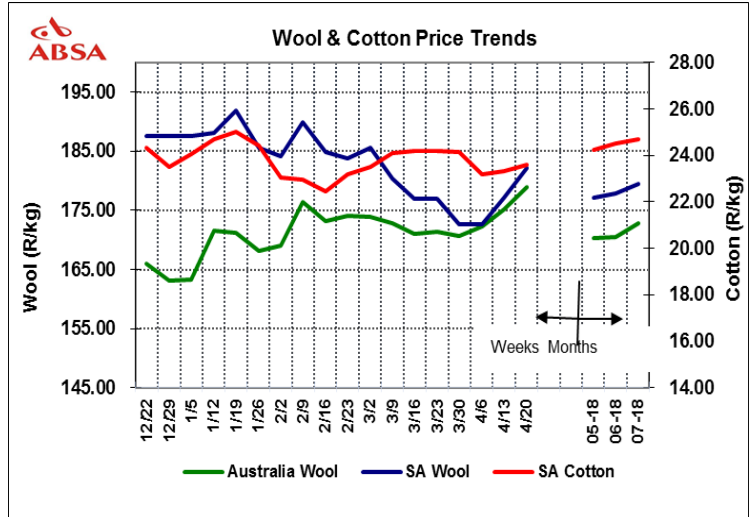
Cotton prices traded higher over the past week and closed at US79.95 c/lb from US77.93c/lb.

Bullish factors

- Due to brisk export demand, USDA raised export forecast to 15 million bales.

Bearish factors

- The US is the biggest exporter of cotton and China the largest consumer in the world. Prices spiked amid the deepening trade war concerns between China and US. China imposed 25% import duty on US cotton imports.
- The production of the other six oilseeds expected to increase by roughly 8.6 million ton in 2017/18, with the biggest increase primarily stemming from cottonseed production (up 4.6 million ton). The oilseeds can partly offset the major soybean losses in South America.
- Cotton plantings in the US reached 7% (higher than the previous year's average). The higher production was primarily supported by good production performance in Texas.



Domestic

The derived SA cotton prices traded 0.95% higher to close at R23.59/kg.

Outlook

Internationally, the US is the biggest exporter of cotton and China the largest consumer in the world. Latest USDA Supply and Demand estimates report published on 10 April 2018, shows a decline in global ending stocks (29% decline y/y) and increased exports. The production of the other six oilseeds expected to increase by roughly 8.6 million ton in 2017/18, with the biggest increase primarily stemming from cottonseed production (up 4.6 million ton). The oilseeds can partly offset the major soybean losses in South America.

Locally, the world market and exchange rate movement may continue to affect the domestic market prices.

Fibres market trends
Week ended 20 April 2018

Wool prices	%	SA prices (c/kg)	%	Australian prices (SA c/kg)	%	Australian future May 2018 (AU\$/kg)	%	Australian future Jul 2018 (AU\$/kg)
Wool market indicator		18213	2.82	16678		-		-
19µ micron		19224	1.07	19309	4.55	20.70	3.17	19.50
21µ micron		17644	2.05	18009	3.49	19.25	2.26	18.10
Cotton prices 29 March 2018		SA derived cotton (R/kg)		New York A Index (US\$/kg)		New York future May 2018 (US\$/kg)		New York future Jul 2018 (US\$/kg)
Cotton prices	1.01	23.59	0.95	1.96	1.4	1.85	1.0	1.83

Disclaimer: Although everything has been done to ensure the accuracy of the information, Absa Bank takes no responsibility for actions or losses that might occur due to the use of this information.