

Fryer's Oilseed Report

		Close		Premiums (¢/bu)			Fob (\$/mt)			
Beans	30-Nov			US	Brazil	Arg/Parag*	US	Brazil	Argentine	
Futures	¢/bu	+/-								
Jan	985.75	-6.75	Dec	43	62	48	Dec	378.01	385.00	379.85
Mar	997.75	-6.75	Jan	46	64	48	Jan	379.12	385.73	379.85
May	1008.50	-6.00	Feb	41	65	n/a	Feb	381.69	390.51	n/a
*Basis 33 pro										
SoyMeal				Premiums (\$/st)			Fob (\$/mt)			
Futures	\$/st	+/-		US HiPro	Brazil 48	Argentine 46.5	US	Brazil	Argentine	
Dec	324.50	-0.50	Dec	-5	-25	-11	Dec	352.18	330.14	345.57
Jan	326.50	-0.80	Jan	-6	-23	-13	Jan	353.29	334.55	345.57
Mar	329.80	-0.90	Feb	-6	-24	-16	Feb	356.92	337.08	345.90
BeanOil				Premiums (¢/lb)			Fob (\$/mt)			
Futures	¢/lb	+/-		US	Brazil	Argentine	US	Brazil	Argentine	
Dec	33.75	-0.20	Dec	2.00	1.00	1.35	Dec	786.50	764.50	772.20
Jan	33.85	-0.22	Jan	-	1.00	1.25	Jan	n/a	766.70	772.20
Mar	34.06	-0.23	Feb	-	0.90	0.90	Feb	n/a	769.12	769.12

CBOT crush			Dalian					Malaysian Palm			
¢/bu	Oil Share		Beans (F)	Meal (F)	Beanoil (F)	Rapeoil (F)	Olein (F)	KL (F)	Fob\$ FM		
104.90	34.21%		3574	2871	5858	6658	5336	2566	655.00		
+/-	2.57	-0.10%	-23	-20	12	16	22	0	0.00		
			US\$/CNY		6.6125		US\$/MYR		4.0900		
SX8/CZ8			Rapeseed/ Canola		Sunseed		Sunoil		Peso		
Previous	2.601		Matif (G)	W'peg (F)	France JFM	Argie			Close	Real	
Close Nov 30	2.585		367.75	509.60	330.00	740-770			Previous	17.430	3.232
Change	-0.016		-1.25	-0.80	0.00	0.00			Change	-0.52%	1.33%

Crops/Weather: There is no change in S America with much of Argentina and S Brazil remaining dry, whilst the rest of Brazil continues to see regular and good rainfall. Europe has added a little more precip in the west in this morning's maps, and in week two of the forecast has pushed the expected cold spell back much further east. Heavy rainfall persists across eastern Australia.

Trade: US weekly export sales were in line with expectations at 942kt taking the season total to 1,264 Mbu, down 18% on last year against 17% last week and the USDA's projected 3.5% increase, which is a 450 Mbu annualised difference. USDA did also announce 132kt beans to 'unknown' and 525kt to China under the daily system. Meal sales at 177kt and oil at 12kt were in line with expectations.

Markets: The long-awaited EPA announcement finally appeared yesterday, bringing no surprises and leaving the CBOT soy complex down on the day - including beanoil despite an early 50-tick spike immediately following the report. Funds sold an estimated 6,000 beans and 3,000 oil, whilst buying 3,000 meal, and the nearby board crush spread rose 3¢ to a new high \$1.05. The market is increasingly focusing on the strengthening La Nina, with the technicians arguing that the charts and moving averages are increasingly suggesting a significant move from these levels (although not necessarily upwards!). Census issues their October crush report today.

In Argentina, BAGE put plantings at 42.5% complete, up 8.5% on the week but now below last year's 46% (having caught up last week). They kept their planted acreage at 18.1 mHa which compares with Rosarios GE's 18.8 mHa, the Govt's 16.8 mHa and the USDA's 19.1 mHa (harvested), all of which still leaves a wide range of production potential whatever the final yield. Rosario did also argue that if the dryness continues, final acreage could see some significant downward adjustments. The domestic market was quiet, slightly lower in the nearby, slightly firmer on new crop, whilst Fob premiums were unchanged to firmer. The Peso is little changed on the week whilst the Real has lost around 1.5%.

Matif rapeseed followed CBOT beanoil, bouncing immediately following the EPA announcement but eventually closing lower, and it was a similar story for Canadian canola, where trade will likely remain choppy ahead of Stats Canada's final crop report next Wednesday.

Asian markets are again mixed with Dalian beans and meal trading lower whilst the vegoils are higher (Malaysia is closed today). All markets however are lower on the week, led by beans which are off 3% against a 1% decline in the products and other vegoils.

Outlook: There is no change to the outlook, which near terms remains essentially about La Nina and the impact on production in Argentina and S Brazil, and longer term about Chinese demand. With the EPA announcement now behind us and La Nina looking like an increasing risk, additional meal-oil spreading is seen by some as a low risk way into a possible weather market. Overnight is up 2¢.