

## Interest rates to continue to increase

Interest rates will continue to increase even more aggressively than in the past to curtail spending, even though the consumer is only partially responsible for driving up inflation as this is mainly the result of external factors.

**Balance of Payment (BOP)** - Currently, South Africa's current account is running at a deficit of almost 4,3% of GDP, this combined with a potential downgrade of our investment status unfortunately places pressure on the Reserve Bank to up the interest rate to protect our BOP.

**Growth in Money in circulation** – Given the latest report from the reserve bank the growth in M3 is now close to 10% which implies that the consumer is begging to spend more which in the end will drive inflation up. This places pressure on the Reserve Bank to up the interest rate to curtail spending.

**Growth in Inflation** – Inflation has also bridged the upper level of the inflation target; this is mainly due to the combined effect of a weaker exchange rate, higher than inflationary administrated price adjustments and the drought. This puts pressure on the Reserve Bank to up interest rates to curtail inflation.

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# Beef market trends

## International

New Zealand steers traded 0.62% lower at NZ\$477 and cows were sideways at NZ\$303 per head respectively compared to a week ago. In the US, beef prices for the week were mostly lower as follows: Top side was 3.23% lower at \$227,33cwt, Rump was 0.65% higher at \$367,71/cwt and Strip loin was 0.08% lower at \$584,90/cwt, Chuck traded 15.27% lower at \$207,44/cwt, Brisket traded 14.03% lower at \$205,71/cwt.



## Bullish factors

- Beef in cold storage was down month on month and year on year
- The meat market tends to normally get support as temperatures across North America rise and support outdoor grilling
- Supplies are drying up as Australian beef production is expected to remain low in the first half of 2016.
- Despite a slowing economy, official Chinese imports of beef are to continue to increase. China’s official beef imports surged by 60% YOY in 2015, reaching 473,000 tons

## Bearish factors

- The prospect of cheaper feed is supportive to production
- The higher beef prices have encouraged consumers towards cheaper competing proteins like poultry. Price competition from pork and poultry may add pressure to beef prices.
- New Zealand beef in China continues to be under pressure from cheaper Brazilian imports
- The trend of placing heavier cattle, and feeding them to heavier weights is expected to continue in the US

## Domestic

Beef prices as reported by RMAA<sup>i</sup> were slightly higher the past week. The forecasted Absa beef prices are as follows: Class A prices are 0.36% lower at R39.19/kg, Class C prices are 1.09% higher at R28.66/kg. The average weaner prices are 0.70% higher at R20.02/kg. The average hide price was slightly higher over the past week at R14,15/kg green. NB\* Hide prices are determined by the average of RMAA and independent companies.

## Bullish factors

- Lower week on week slaughtering of 6.01% reported by RMAA gave some support to prices
- Prices are expected to be supported in the next months due to the aftermath of the drought

## Bearish factors

- It is in line with seasonal trends for prices to ease slightly into the month of May.
- Consumers are under pressure and might switch to cheaper proteins like pork and poultry which are more affordable. This might lead to a decline in demand for red meat

## Outlook

Internationally, cattle prices are expected to find some seasonal support as the grilling season approaches and as supplies are expected to tighten in New Zealand and Australia. However, price competition from pork and poultry may add pressure to prices. Locally, the long term effect for prices is an upward trend following the aftermath of the drought.

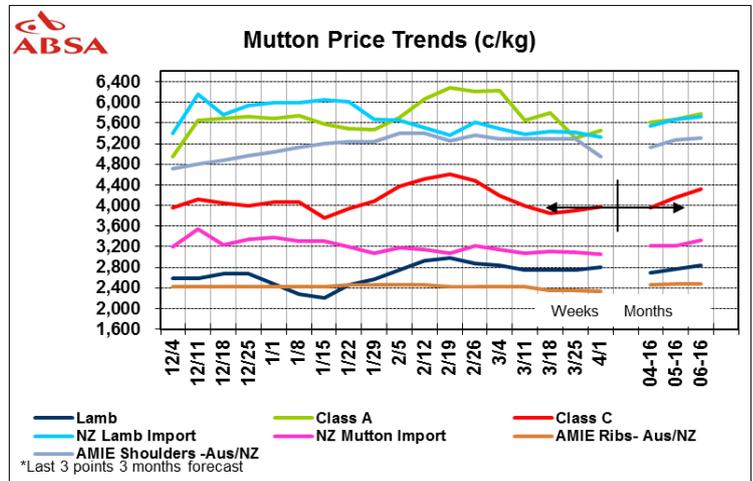
## Mutton market trends

### International

The New Zealand lamb prices traded sideways this week compared to last week and mutton prices also remained the same. Lamb prices closed the same this week at NZ\$69.0/head for 15kg lamb. Ewe prices closed the same compared to last week at NZ\$46.30/head for a 21kg ewe. The import parity price for lamb was 1.78% lower at R53.26/kg while the import parity price for mutton was 1.69% lower at R30.46/kg.

#### Bullish factors

- New Zealand prices may improve as a shortage of lambs is expected towards the latter half of 2016.
- New Zealand lamb supply is expected to be slow through May
- There is some expectation that New Zealand processors may begin to release supply contracts for the winter months to secure their share of the limited numbers.
- There are signs of some price recovery in global markets



#### Bearish factors

- Lamb supply is expected to be steady through April
- The dry autumn has affected many eastern areas of New Zealand which encouraged early processing.

### Domestic

Mutton prices as reported by RMAA were mixed over the past week, with Class C higher and Class A recording some losses. Forecasted Absa mutton prices increased for the week 1 April are as follows. Class A was 2.86% higher at R54.61/kg and Class C was 1.74% higher at R39.76/kg this week. The average price for feeder lambs is 2.08% higher at R27.99/kg. The average price for dorper skin was slightly higher at R64.55/skin and merinos were lower at R87.92/skin.

#### Bullish factors

- It's in line with seasonal trends for prices to follow an upward movement from April into May. This trend will be strengthened by the impact of the drought.
- Lower week on week slaughtering numbers reported by RMAA are supportive to prices.
- According to DAFF, national sheep numbers declined by about 0.77% from August 2014 to August 2015

#### Bearish factors

- Slow growth in consumer spending and higher food inflation will add pressure to demand.

### Outlook

Internationally, prices are expected to recover from their current lows due to expected tight supplies in New Zealand and better demand in international markets. Locally, mutton prices are expected to remain supported into May in line with seasonality.

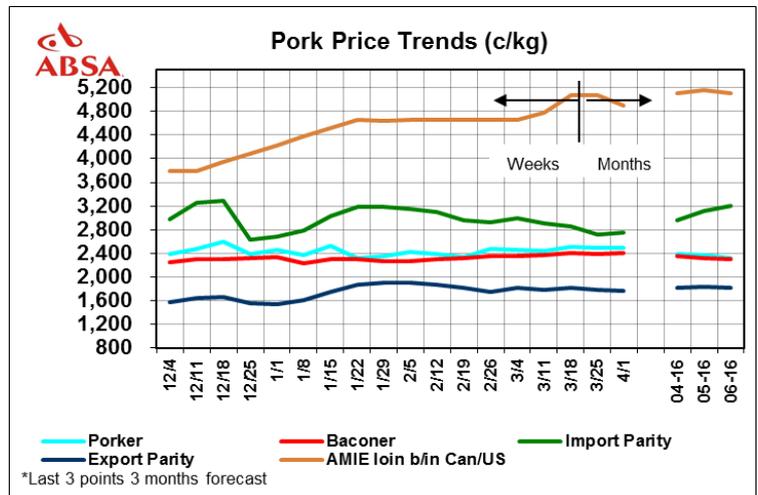
## Pork market trends

### International

The average weekly US pork prices were higher over the past week. Carcass prices were 0.38% higher at US\$76.31/cwt, Loin prices were 0.95% higher at US\$77.95/cwt, Rib prices were 1.49% higher at US\$152.68/cwt and ham was 3.72% higher at US\$51.88/cwt.

#### Bullish factors

- It is in line with seasonality to see improvement in prices during summer
- Better than expected domestic and foreign demand for US pork.
- US pork in cold storage in February posted the smallest gain for that month in nine years. This is due to decreased pork production and solid bacon demand. Wintry weather earlier in the month also contributed.



#### Bearish factors

- Large production numbers continue to weigh longer term on the pork market
- Feed prices remain low which supports pork expansion.

### Domestic

Domestic prices were lower over the past week in spite of increased week on week slaughtering. Porker prices were 0.20% higher at R24.97/kg while Baconer prices were 0.08% higher at R24.00/kg.

#### Bullish factors

- From August, prices normally follow an upward trend into December.
- Underlying support from higher beef and mutton prices.
- According to DAFF, national pigs numbers declined by about 2.54% from August 2014 to August 2015.

#### Bearish factors

- It is in line with seasonal trends for prices to be weak through to August.

### Outlook

Internationally, decreased pork production might add some support to prices, but large production numbers continue to weigh longer term on the pork market. Locally, better demand for cheaper proteins like pork over beef and mutton might support prices.

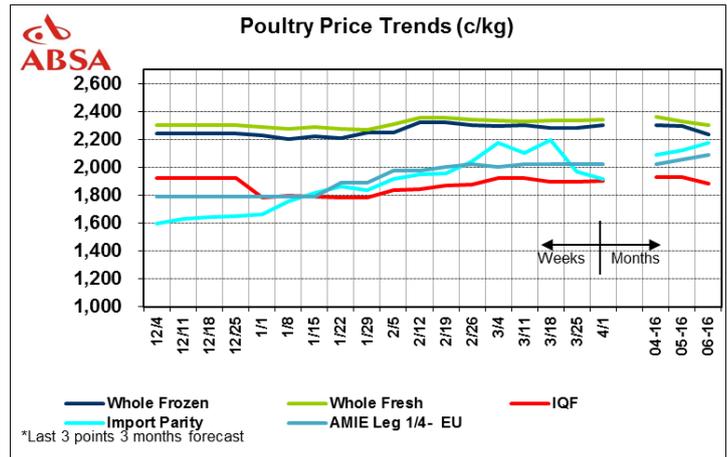
# Poultry market trends

## International

Poultry prices in the US were mostly lower over the week compared to the past week except for breasts. Whole bird prices were 1.15% lower at 86.20USc/lb. Breasts traded 0.88% higher at 114,00USc/lb but Leg Quarters traded 3.03% lower at 32,00USc/lb.

### Bullish factors

- The higher beef prices have encouraged consumers towards cheaper competing proteins like poultry
- Overall 2016 EU export growth is expected to be limited to 0.5% when compared to 2015, as more competition is expected from the US and Brazil on the world market.
- Further outbreaks of bird flu were reported in Nigeria



### Bearish factors

- Affordable feed prices boosted EU poultry growth through 2015 and world grain production remain in abundance.
- The EU seems to be losing market share in its two most important export destinations, Benin and South Africa, to the benefit of the US and Brazil. Brazil is world's largest exporter of poultry to South Africa, in spite of the increase in import tariffs of whole chicken from 27% to 82%, and on cuts from 5% to 12%, applied by the South African government from 2013 due to anti-dumping measures.
- US broiler prices are expected to remain low due to expected higher production.
- Global poultry meat exports will remain highly affected by avian influenza (AI)

## Domestic

The average poultry prices over the past week remained subdued, with modest gains. The average price for frozen birds was 0.92% higher at R23.03/kg during the week. Whole fresh medium bird prices were 0.17% higher R23.39/kg while IQF<sup>1</sup> prices were 0.21% higher at R19.02/kg.

### Bullish factors

- Local industry has applied for an Agricultural Safeguard against EU bone in poultry cuts, which if granted, could support prices.
- It seems poultry prices may gain underlying support from the higher beef and mutton prices. This will bring some support to prices at the time where prices are seasonally expected to decline.

### Bearish factors

- Poultry supplies remain in abundance.
- Increased competition from imports
- Seasonal declines in prices into winter due to reduced demand.
- Shipments from the US from under AGOA have landed. Reports indicate that the first chicken imported from the US is apparently being sold mainly in Durban and surrounding areas. This brings about increased competition into the market.

## Outlook

Internationally, broiler prices are expected to remain low due to higher production. Locally, poultry prices have remained weak due to good supplies in the market.

<sup>1</sup> IQF-Individually Quick Frozen Chicken

Livestock Prices (R/kg) 01 April 2016	Beef			Mutton			Pork			Poultry		
	%	Current Week	Prior Week	%	Current Week	Prior Week	%	Current Week	Prior Week	%	Current Week	Prior Week
<b>Class A / Porker / Fresh birds</b>	-0.4	39.19	39.33	2.86	54.61	53.09	0.20	24.97	24.92	0.17	23.39	23.25
<b>Class C/ Baconer / Frozen birds</b>	1.09	28.66	28.35	1.74	39.76	39.08	0.08	24.00	23.98	0.92	23.03	22.82
<b>Contract / Baconer/ IQF</b>	-0.4	39.03	39.20	2.57	55.77	54.37	0.14	24.49	24.45	0.21	19.02	18.98
<b>Import parity price</b>	-1.8	53.50	54.50	-1.6	30.46	30.98	1.12	27.48	27.17	-3.48	19.13	19.68
<b>Weaner Calves/ Feeder Lambs/</b>	0.70	20.02	19.88	2.0	27.99	27.42		-	-			
<b>Specific Imports: Beef trimmings 80vl/b/Mutton Shoulders/Loin b/in /chicken leg1/4</b>	0	46.56	46.56	-6	49.50	53.00	-3.3	49.00	50.66	0	20.20	20.20

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## Maize market trends

### International

When compared to the previous week, the average US yellow maize price (Fob Gulf) closed the week 0.42% lower at US\$160.32/t. When compared to the previous week, the average US white maize price (Fob Gulf) closed the week 2.52% higher at US\$176.93/t.

### Bullish factors

- Should dry conditions occur in the US after planting there could be concerns with regard to the final corn crop.

### Bearish factors

- The USDA released the probable planting and quarterly stocks information with corn acreage coming in bearish at 93.6 million acres which is 4.6 million acres higher than the last estimate.
- Weather in the Midwest and Southern Plains continue to receive high chances of precipitation which is pressuring grains.
- Improved farmer selling triggered the losses in the corn and soybean complex
- Producers are expected to plant more corn than wheat this year in the US

### Domestic

The week on week spot price for yellow maize traded 4.37% lower to R3 065/t on Monday. The week on week spot price for white maize traded 3.09% lower at R4 6769/t on Monday, 4 April.

### Bullish factors

- There were no white maize imports for the week ending 25 March
- There was 8 567 tons of yellow maize exports for the week ending 25 March.
- The 3<sup>rd</sup> CEC forecast for white maize was 3.92% lower than the 2nd forecast at 3 070 675 tons (area planted 1 014 750 ha)
  - The 3<sup>rd</sup> CEC forecast for yellow maize was 1.61% lower than the 2nd forecast at 3 994 600 tons (area planted 932 000 ha)

### Bearish factors

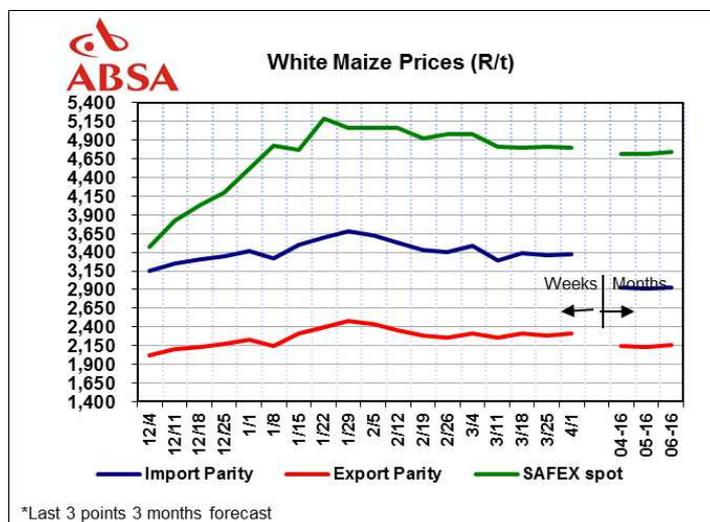
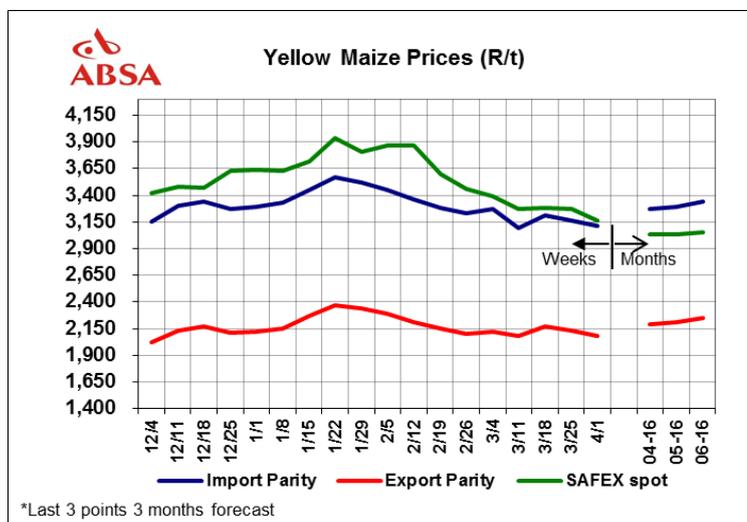
- There was 68 556 tons of yellow maize imports for the week ending 25 March from Argentina.
- The weekly average exchange rate strengthened to R15.11/US\$ compared to R15.35/US\$ the previous week.

### Outlook

Internationally the higher anticipated higher corn plantings in the US have put pressure on prices. Locally the stronger rand is weighing on the market and the upcoming harvest.

Yellow Maize Futures: 3 April 2016	May-16	July-16	Sept-16	Dec-16	Mar-17				
CBOT (\$/t)	153	154	157	161	163				
SAFEX (R/t)	3065.00	3073	3132	3173	3165				
SAFEX (R/t) Change week on week (w/w)	-172	-184	-175	-175	-125				
	May-16			Jul-16		Sept-16			
	Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
	3,100	94	59	3,120	161	114	3,180	210	162
	3,060	72	77	3,080	139	132	3,140	188	180
	3,020	54	99	3,040	119	152	3,100	167	199

White-Maize Futures 3 April 2016	May-16	July-16	Sept-16	Dec-16	Mar-17				
SAFEX (R/t)	4681.00	4731	4746	4252	3362				
SAFEX (R/t) Change w/w	-194	-196	-204	-343	-178				
	May-16			Jul-16		Sept-16			
	Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
	4,720	139	98	4,720	228	189	4,780	304	255
	4,680	117	116	4,680	206	207	4,740	282	273
	4,640	97	136	4,640	186	227	4,700	261	292



### South African Supply and Demand Estimates March 2016

	Producer Deliveries			Total Imports			Closing Stock (30 April)		
	% change	Projection for 2016/17	Projection for 2015/16	% change	Projection for 2016/17	Projection for 2015/16	% change	Projection for 2016/17	Projection for 2015/16
White maize	-35%	2 990 675	4 640 800	1150%	1 250 000	100 000	-55%	517 220	1 144 545
Yellow maize	-25%	3 644 600	4 874 480	33%	2 400 000	1 800 000	-20%	728 514	915 914

## Wheat market trends

### International

Hard red wheat traded 0.14% higher week on week at US\$192.07.

### Bullish factors

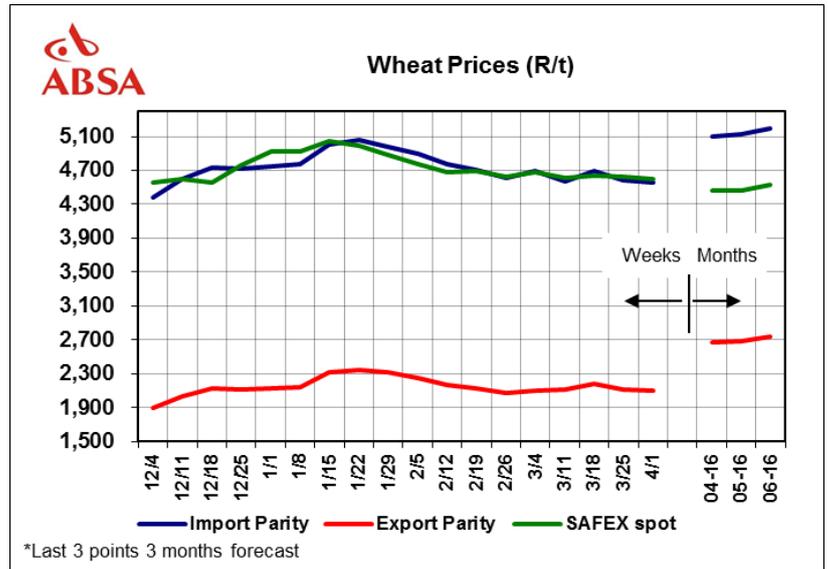
The USDA released the probable planting and quarterly stocks information with soybean acreage coming at 49.5 million acres which is 2.1 million acres less than the last estimate. This is the lowest estimate since 1970.

The on-going dryness concerns in the Plains and Dakotas are supportive to prices.

USDA- export sales for wheat came in at the high end of expectations

### Bearish factors

The carryout outlook for the 2016/17 wheat stock is at the 1987 levels which will maintain an environment of bearishness.



### Domestic

The SAFEX wheat spot prices on Monday decreased from last week's levels and traded at R4 489/t which is 4.18% lower week on week.

### Bullish factors

- The estimate could be less than the actual plantings
- The eastern Free State may have planted other crops rather than wheat.

### Bearish factors

- For the week ending the 25 March South Africa imported 65 033 tons of wheat of which 50,876 tons came from Lithuania. The cumulative wheat imports for the season is therefore 1 029 666 tons.
- Strengthening of the rand to the US dollar by 1.58% week on week as on 1 April.
- The rand put pressure on local prices which resulted in local wheat prices not following the upward trend of the US markets

### Outlook

Internationally wheat will be sensitive this summer to the amount of Canadian wheat planted acres and the weather. The weather forecast anticipates very little moisture relief in the main winter wheat areas of the US in the week ahead which could provide some support. However slightly warmer conditions are also predicted for the main winter wheat regions. Locally the strengthening rand will put pressure local prices and in the Western Cape more rain could result in slightly more plantings.

<b>Wheat Futures 3 April 2016</b>	<b>May-16</b>	<b>July-16</b>	<b>Sept-16</b>	<b>Dec-16</b>	<b>Mar-17</b>			
<b>CME (\$/t)</b>	189	192	215	219	205			
<b>SAFEX (R/t)</b>	4489.0	4555	4595.0	4390	n/a			
<b>SAFEX (R/t) Change w/w</b>	-196	-215	-195.0	-125	n/a			
<b>Mar-16</b>			<b>May-16</b>			<b>Jul-16</b>		
<b>Ask</b>	<b>Put</b>	<b>Call</b>	<b>Ask</b>	<b>Put</b>	<b>Call</b>			
4,520	73	42	4,600	136	91	4,640	173	128
4,480	51	60	4,560	114	109	4,600	152	147
4,440	34	83	4,520	94	129	4,560	132	167

#### South African Supply and Demand Estimates March 2016

	Producer Deliveries			Total Imports			Closing Stock (30 April)		
	% change	Projection for 2015/16	Final for 2014/15	% change	Projection for 2015/16	Final for 2014/15	% change	Projection for 2015/16	Final for 2014/15
Wheat	-16%	1 425 015	1 699 546	9%	2 000 000	1 832 441	27%	756 838	596 823

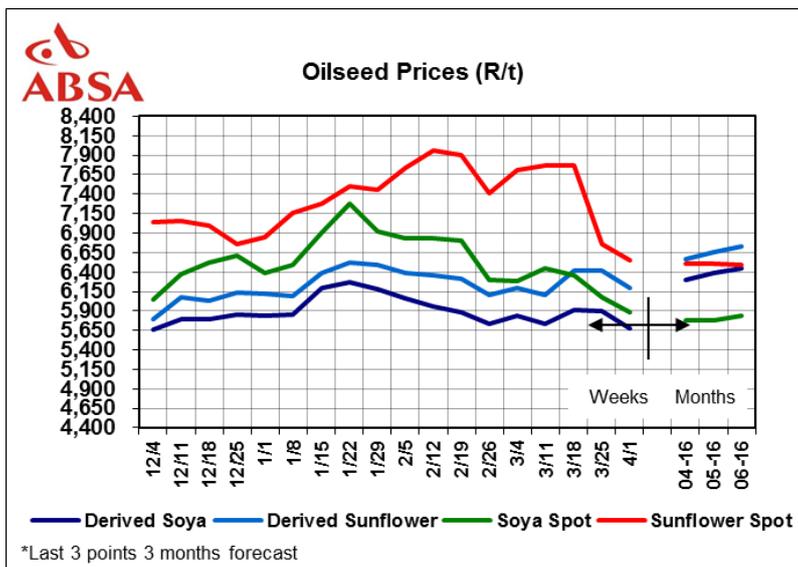
## Soybean market trends

### International

Brazilian soybean prices for delivery cif Rotterdam trade at US\$382/ton compared to \$370/ton a year earlier. Brazilian soybean oil trade at USA\$ 723/ton which is 4.3% higher week on week. Soya meal from Argentina cif Rotterdam traded at USA\$324/ton compared to US\$325/ton a year earlier.

#### Bullish factors

- The Palm oil market is currently trading at 2 year highs which has supported soy oil and supported buying in soybeans.
- Drought conditions as a result of El Nino in Malaysian Palm oil producing regions continue to threaten lower production which is likely to support soy oil and Canola.
- China's lower acre outlook and the continued risk of La Nina threat to August production provide support of soybeans.
- The USDA released the probable planting and quarterly stocks information with soybean acreage coming at 82.2 million acres which is 2 million acres less than the last estimate.



#### Bearish factors

- The negative Chinese crush margins are a nearby concern for the demand side to China.
- South America exported 8.6 million tons of soybean in March which is higher than the 6.7 million tons last year.

### Domestic

The average domestic soybean spot prices traded 2.42% lower at R5 850/t in comparison to the previous week.

#### Bullish factors

- The 3<sup>rd</sup> CEC forecast for soybeans was 4.53% lower than the 2<sup>nd</sup> forecast at 691 750 tons (area planted 502 800 ha)
- The 3<sup>rd</sup> CEC forecast for dry beans was 13.38% lower than the 2<sup>nd</sup> forecast at 38 195 tons (area planted 34 400 ha)
- Mpumalanga soybean plantings were less affected by the drought than the other provinces. The 3<sup>rd</sup> CEC forecast for soybeans in Mpumalanga was 360 000 tons which is lower than the 389 000 tons in 2015. 13.38% lower than the 2<sup>nd</sup> forecast at 38 195 tons (area planted in 2016 was 240 000 ha and in 2015 the area planted in Mpumalanga was 245 000 ha)

#### Bearish factors

- Crush margins are currently very low.
- 100 000 tons of soya have been imported

### Outlook

Internationally South America is expected to export 10 million tons of soybean which is higher than the 9.3 million tons last year, this could put pressure on prices. Locally as a result of harvesting nearing, the price of soya is anticipated to soften.

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## Sunflower seed market trends

### International

Compared to a year ago when EU sunflower seed prices trade at \$436/ton prices have increased to \$440/ton for delivery in March. Fob Black Sea sunflower seed prices increased year on year from \$400/ton to \$405/ton for delivery in March. Sunflower seed oil prices from Argentina traded at \$760/ton fob Argentina compared to \$751/ton a year ago. However sunflower seed oil prices fob Black Sea trade at \$790/ton compared to \$773/ton a year ago. EU sunmeal prices declined from \$203/ton a year ago to \$200/ton for delivery in March.

#### *Bullish factors*

- In Oct/Feb 2015/16 G-3 sun oil exports increased by 17% year on year to 2,95 million tons.
- Exports to the EU more than doubled to 0,64 million tons
- Exports to China were boosted by 77% to 0,36 million tons
- US producers indicated a decline of sunflower plantings by roughly 8%
- Canola acres may decline from 2015.
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#### *Bearish factors*

- In Oct/Feb 2015/16 sun meal exports from Ukraine, Russia and Argentina stagnated at nearly 2.7 million tons.

### Domestic

The average domestic sunflower seed spot prices traded 0.23 lower at R6 645/t in comparison to the previous week.

#### *Bearish Factors*

- The 3rd CEC forecast for sunflowers was 3.4% higher than the 2nd forecast at 710 500 tons (area planted 718 500 ha)
- In the Free state the 2015 hectares planted was 285 000 ha and in 2016 the total hectares planted is 400 000 hectares (the 3<sup>rd</sup> production estimate is 420 000 tons).

### Outlook

Internationally the increasing import requirements from the EU have caused a decrease in EU sun seed production and crushing's which could support prices in the long term. Locally as a result of harvesting nearing the price of sunflower is anticipated to soften.

Oilseeds Futures 3 April 2016	May-16	July-16	Sept-16	Dec-16	Mar-17			
CBOT Soybeans (US \$/t)	336	339	340	343	344			
CBOT Soy oil (US c/lb)	31	32	35	32	33			
CBOT Soy cake meal (US \$/t)	271	273	275	278	279			
SAFEX Soybean seed (R/t)	5779	5839	5899	5979	n/a			
SAFEX Soybean seed (R/t) change w/w	-236	-246	-266	-261	n/a			
SAFEX Sunflower seed (R/t)	6500	6490	6565	6628	n/a			
SAFEX Sunflower seed (R/t) change w/w	-105	-145	-150	-173	n/a			
SAFEX Sorghum (R/t)	n/a	3650	n/a	3750	n/a			
SAFEX Sorghum (R/t) change w/w	n/a	0	n/a	0	n/a			
<b>Sunflower Calculated Option Prices (R/t)</b>								
<b>May-16</b>			<b>July-16</b>			<b>Sept-16</b>		
6,680	162	127	6,680	314	274	6,700	413	370
6,640	141	146	6,640	293	293	6,660	392	389
6,600	121	166	6,600	273	313	6,620	371	408

#### South African Supply and Demand Estimates March 2016

	Producer Deliveries			Total Imports			Closing Stock (30 April)		
	% change	Projection for 2016/17	Final for 2015/16	% change	Projection for 2016/17	Final for 2015/16	% change	Projection for 2016/17	Final for 2015/16
Sunflower seed	7%	710 500	664 025	83%	66 000	36 041	48%	67 922	45 872
Soybean	-37%	659 750	1 042 129	100%	250 000	124 981	-33%	59 075	88 925

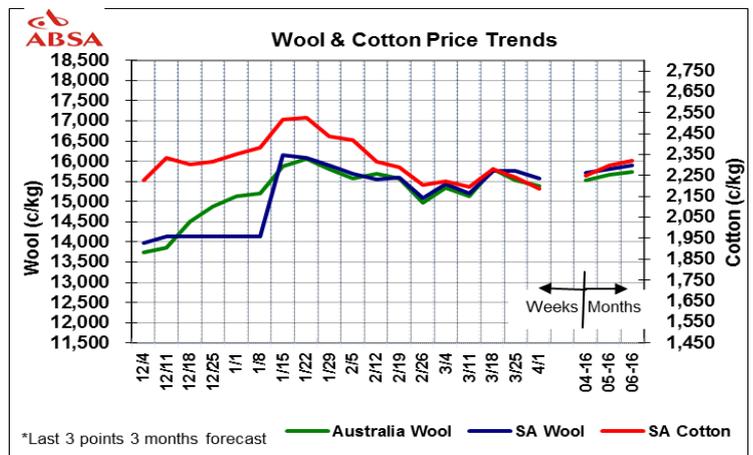
## Wool market trends

### International

Note\* The Australian wool market is on an annual one-week Easter recess, and should continue in the coming week. The last Auction was on the 23<sup>rd</sup> of March 2016 where the Australian wool market prices strengthened slightly during that week. The Australian wool market prices closed higher at Au 1239c/kg or 0,98% higher at that auction.

#### Bullish factors

- Online platform was drawing strong demand while the AWEX physical auctions are on a break this week.
- Wool trade was enjoying strong demand as market rebounds
- Online wool buyer confidence improved last week as the Australian wool market strengthened.
- ABARES<sup>2</sup> forecast that wool prices this year will be supported by an assumed lower value of the Australian dollar and a forecast fall in wool production



### Domestic

The wool market prices were lower over the past week and close at R155.70 (Clean) which is 1.26% lower than the previous week's price. Note\* The last sale was on the 30th of March, and the next sale is expected to take place on the 13th of April.

#### Bullish factors

- In general, reduced volumes during this season due to the impact of the drought are supportive to the market.

#### Bearish factors

- The strengthening of the currency week on week has put pressure on prices.
- There was a fair amount of wool on offer at 12,439 bales at the recent auction.
- Softer demand at the recent auction.

### Outlook

Internationally, direction of the AU dollar will influence prices in the short term while in the long term; reduced volumes will likely encourage demand in both New Zealand and Australia. Locally, the impact of drought may continue to be supportive to market prices due to lower production as a result of lower yields. The exchange rate will also continue to influence market prices.

<sup>2</sup> ABARES- Australian Bureau of Agricultural and Resource Economics and Sciences

## Cotton market trends

### International

Cotton prices traded 0.51% lower over the past week and closed at US56,11c/lb.

#### Bullish factors

- Wetness in major growing areas in the US raises doubts that farmers will achieve the plantings they have hoped for. USDA forecast (March 31) for US cotton sowings: 9.562m acres.
- Weather continued to obstruct field preparation and early planting operations in the Delta and the south eastern states

#### Bearish factors

- US actual exports were down by 8% from the four-week average at 192,300 running bales.
- Cotton prices under pressure from size of Chinese inventories
- China is expected to restart cotton auctions during the second half of April as it plans to sell off some of its 11 million metric-ton stockpile
- Soft global demand
- Most of the Chinese stocks will be sold to domestic buyers. This could however impact global prices by reducing demand for foreign cotton from Chinese buyers

### Domestic

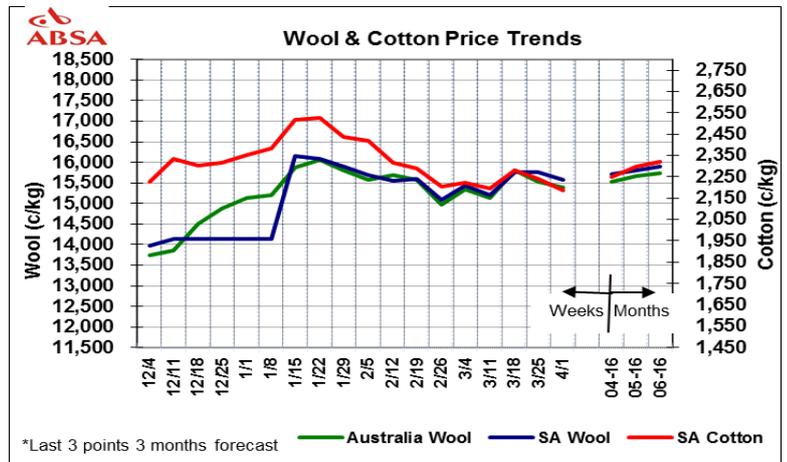
SA cotton prices traded 2.39% lower to close at R21.85/kg. The decreases in prices are in line with the stronger currency.

#### Bullish factors

- The strengthening Rand week on week of 1.50% pressured prices

### Outlook

Internationally, the cotton market continues to be under pressure from size of Chinese inventories. Locally, cotton prices will continue to be influenced by the direction of the currency.



**Fibres Market Trends**  
**Week ending 01 April 2016**

<b>Wool prices</b>	<b>%</b>	<b>SA prices (c/kg)</b>	<b>%</b>	<b>Australian prices (SA c/kg)</b>	<b>%</b>	<b>Australian Future - May 2016 (AU\$/kg)</b>	<b>%</b>	<b>Australian Future Jul – 2016 (AU\$/kg)</b>
<b>Wool market indicator</b>	-1.26	15570	-0.84	14255		-		-
<b>19µ micron</b>	-1.16	16742	-0.92	16090		13.95		13.65
<b>21µ micron</b>	-0.30	15803	-0.92	15462		13.40		13.10
<b>Cotton prices</b>		<b>SA derived Cotton (R/kg)</b>		<b>New York A-Index (US\$/kg)</b>		<b>New York future May-2016 (US\$/kg)</b>		<b>New York future Jul-2016 (US\$/kg)</b>
<b>Cotton Prices</b>	-2.39	21.85	-0.79	1.45	1.45	1.29	1.22	1.29

## Vegetable market trends

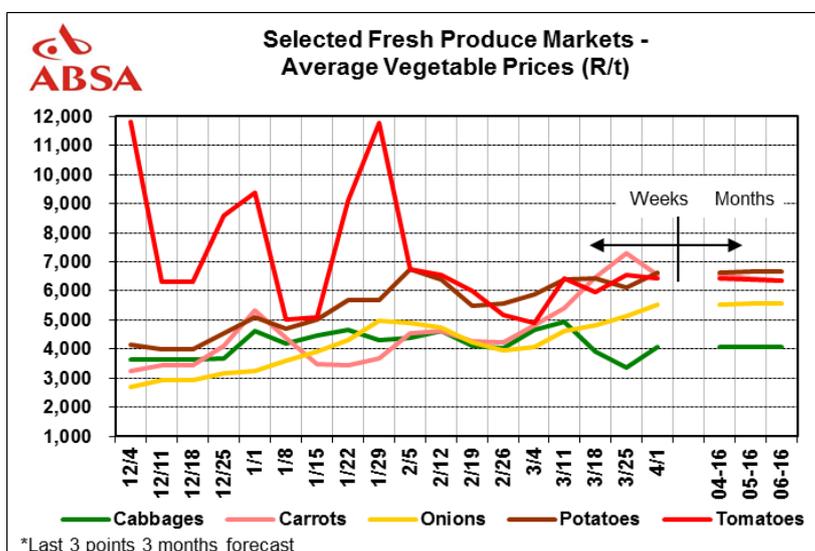
### Vegetable Prices: Fresh Produce Market

(Averages for the Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban markets)

Week ending 1 April 2016	Difference in weekly prices	This week's Average Price (R/t)	Previous week's Average Price (R/t)	Difference in weekly volumes	This week's Total Volumes (t)	Previous week's Total Volumes (t)
<b>Cabbages</b>	21%	4077	3361	26%	1146	913
<b>Carrots</b>	-10%	6558	7286	44%	1761	1221
<b>Onions</b>	8%	5545	5127	70%	6588	3878
<b>Potatoes</b>	8%	6609	6123	48%	12375	8339
<b>Tomatoes</b>	-2%	6418	6564	49%	3723	2504

## Vegetable outlook

The public holiday in the middle of March caused an increase in sales of carrots, cabbages, onions, potatoes and tomatoes. The volumes of all the 5 main vegetables however decreased in the week ending 25 March which caused an increase in prices. Last week volumes increased to their average volumes for the last 2 months. Due to volumes already being under pressure the first long weekend (18 March) put additional pressure on producer to supply the market with vegetables which left less for the Easter weekend. Potato volumes on the market are expected to be less than last year as a result of the drought. Therefore in the next few weeks prices are expected to remain high. Potato prices have however declined in March from their highs in January. The market can expect to see vegetable volumes increasing and prices reducing by around October/November 2016.



## Fruit market trends

Fruit Prices: Fresh Produce Market (Averages for the Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban markets)						
Week ending 1 April 2016	Difference in weekly prices	This week's Average Price (R/t)	Previous week's Average Price (R/t)	Difference in weekly volumes	This week's Total Volumes (t)	Previous week's Total Volumes (t)
<b>Apples</b>	-4%	6658	6920	85%	2576	1394
<b>Avocados</b>	-13%	10578	12199	122%	460	207
<b>Peppers</b>	-2%	9275	9508	36%	879	644
<b>Bananas</b>	5%	8199	7812	36%	2169	1595
<b>Peaches</b>	-9%	11049	12146	29%	323	251

## Ostrich market trends

Meat price (R) for 42kg	% change	1-Apr	25-Mar
<b>Exports</b>	0.36%	42.09	41.94
<b>Heat treated</b>	0.31%	31.93	31.83
<b>Domestic and breeding birds less 50</b>	0.00%	11.61	11.61
<b>Breeding birds more than 50, exports</b>		19.05	
<b>Average skin price</b>	-0.62%	1499.35	1508.65

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**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 usage of this information.

