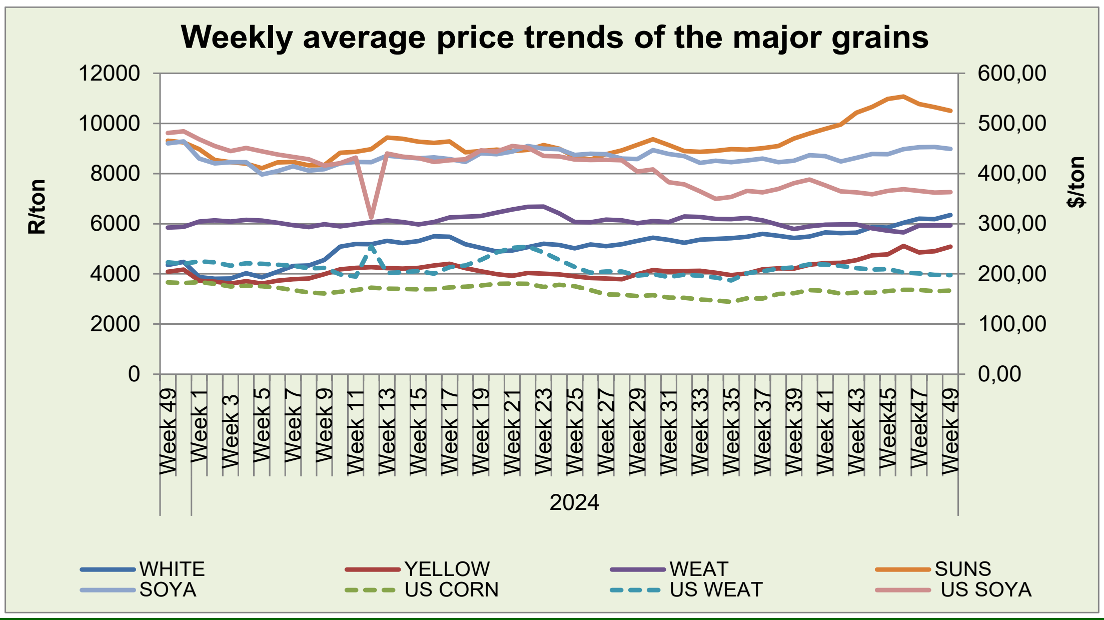
Weekly Price Watch: 06 December 2024

Directorate: Statistics & Economic Analysis

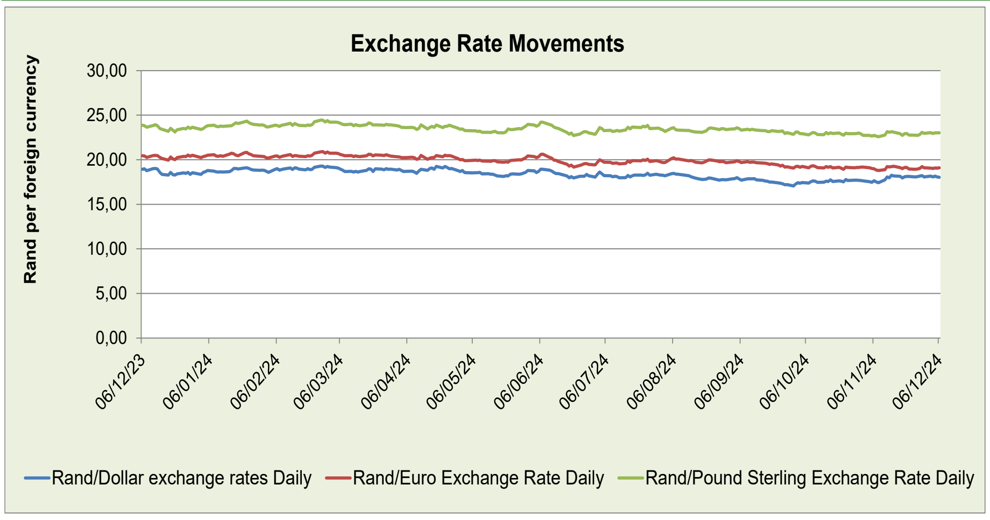
Sub-directorate: Economic Analysis

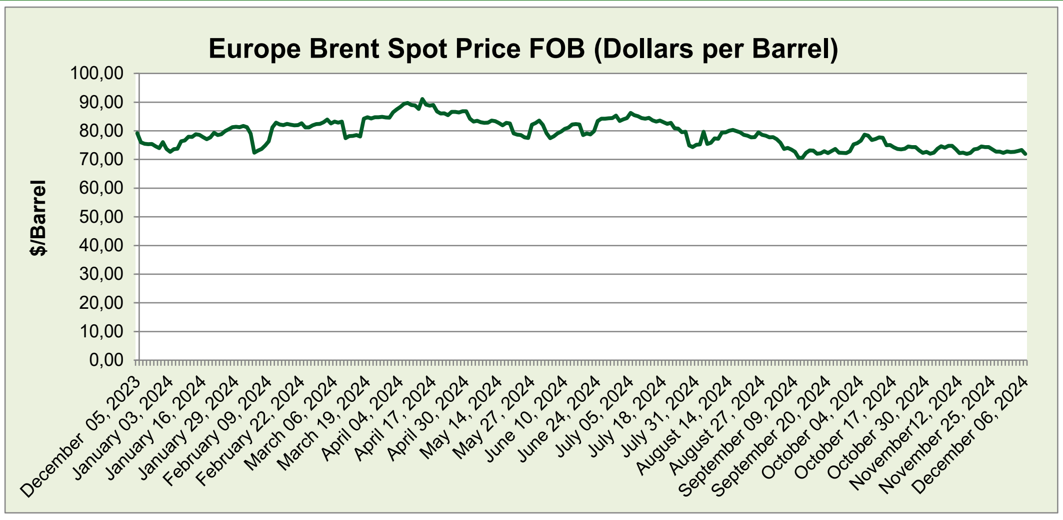


The domestic prices of white maize and yellow maize increased by 2.7% and 3.8% respectively this week compared to the previous week. Meanwhile local prices of wheat, soybeans and sunflower decreased by 0.1%, 0.8% and 1.3% respectively during the same period. On the international front, the prices of US yellow maize and soybean increased by 0.8% and 0.3% respectively this week compared to the previous week. This was due to a rally fuelled by technical buying and strong US exports that drove prices to a five-month high on Friday. Corn's bullish technical move featured the actively traded March contract bouncing off its 100-day moving average on Thursday, breaking through its 50-day average to close above the prior session's high and triggering follow-through buying. While US wheat prices decreased by 0.1% during the same period.

Spot price trends of major grains commodities

	1 year ago Week 49 (04-12-23 to 08-12-23)	Last week Week 48 (25-11-24 to 29-11-24)	This week Week 49 (02-12-24 to 06-12-24)	w-o-w % change
RSA White Maize per ton	R 4 359.40	R 6 180.60	R 6 346.20	2.7%
RSA Yellow Maize per ton	R 4 090.00	R 4 900.00	R 5 087.20	3.8%
USA Yellow Maize per ton	$ 183.12	$ 165,44	$ 166,84	0.8%
RSA Wheat per ton	R 5 846.60	R 5 937.40	R 5 930.20	-0.1%
USA Wheat per ton	$ 223.02	$ 198.00	$ 197.74	-0.1%
RSA Soybeans per ton	R 9 208.00	R 9 061.80	R 8 987.00	-0.8%
USA Soybeans per ton	$ 480.87	$ 362,27	$ 363,28	0.3%
RSA Sunflower seed per ton	R 9 310.00	R 10 652.20	R 10 509.00	-1.3%
Crude oil per barrel	$ 77.01	$ 72.84	$ 72.69	-0.2%





The rand appreciated by 0.1% against the US dollar week-on-week, Rand edged slightly higher supported by gains in precious metals, particularly gold, and a retreat in the dollar. Investors continued to weigh the outlook for interest rates and the global economy amid heightened risks from geopolitical tensions and lingering uncertainty around Trump's presidency. The rand depreciated by 0.1% and 0.6% against Euro and Pound Sterling week-on-week.

Brent crude oil averaged $72.69, a 0.2% decline from the previous week's average of $72.84. Oil prices fell by more than 1% on Friday and cemented weekly losses as analysts projected a supply surplus next year on weak demand despite an OPEC+ decision to delay output hikes and extend deep production cuts to the end of 2026.

National South African Price information (RMAA) : Beef

Week 47 (18/11/2024 to 24/11/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 48 (25/11/2024 to 01/12/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	11 676	53,89	56,43	Class A2	13 471	55,22	58,16
Class A3	770	53,35	57,00	Class A3	567	55,40	56,56
Class C2	441	47,71	48,48	Class C2	528	48,26	51,09

Units sales of class A2 and class C2 beef increased by 15.4% and 19.7%, respectively, this week compared to the previous week. Meanwhile unit sold for class A3 beef decreased by 26.4% compared to the previous week. During the same period the weekly average purchase prices for class A2 class A3 and class C2 beef all increased by 2.5%, 3.8% and 1.2%, respectively. The weekly average selling prices for class A2 and class C2 beef increased by 3.1% and 5.4%, respectively, compared to the previous week. Whilst the weekly average selling price for class A3 beef decreased by 0.8% during the same period.

National South African Price information (RMAA) : Lamb

Week 47 (18/11/2024 to 24/11/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 48 (25/11/2024 to 01/12/2024)	Units	Avg Purchase Price	Avg Selling Price
Lamb							
Class A2	15 088	87,03	87,01	Class A2	17 676	86,89	87,54
Class A3	2 174	84,86	85,50	Class A3	2 648	85,92	87,23
Class C2	1 474	63,10	68,29	Class C2	1 357	62,18	69,62

Units sold for class A2 and class A3 lamb increased by 1.9% and 48.8%, respectively, this week in comparison to the previous week, while units sold for class C2 lamb decreased by 17.7% week-on-week. The weekly average purchase prices for class A2 and class C2 lamb decreased by 0.3% and 2.3%, respectively, this week compared to the previous week. Meanwhile the weekly average purchase price for class A3 lamb increased by 0.6% week on week. During the same period, the weekly average selling prices for class A3, lamb increased by 1.8%, while the weekly average selling price for class A2 remained flat compared to the previous week. The weekly average selling price for class C2 declined by 0.8% during the same period.

National South African Price information (RMAA) : Pork

Week 47 (18/11/2024 to 24/11/2024)	Units	Avg Purchase Price	Week 48 (25/11/2024 to 01/12/2024)	Units	Avg Purchase Price
Pork					
Class BP	16 380	33,00	Class BP	18 413	32,60
Class HO	3 076	31,62	Class HO	7 009	32,46
Class HP	5 483	32,00	Class HP	4 451	31,96

Units sold for class BP and class HO pork increased by 41.8% and 115.3%, respectively, during the reporting week compared to the previous week. In contrast, unit sold for class HP pork decrease by 13.6% week on week. During the same period, the weekly average purchase prices for class BP and HP pork decreased by 0.4% and 0.3%, respectively, meanwhile the weekly average purchase price for class HO pork increased by 3.0% this week compared to the previous week.

Latest News Developments

The South African economy unexpectedly contracted by 0.3% from the second to the third quarter this year. Economists polled by Reuters expected growth of 0.5%. In the third quarter of 2024, the economy was only 0.3% larger than a year before. Agriculture recorded its second consecutive decline, falling by 28,8% in the third quarter. It was the largest negative contributor, pulling GDP growth down by 0,7 of a percentage point. The industry experienced a rough quarter. Due to drought plagued the production of field crops such as maize, soya beans, wheat and sunflower. Adverse weather conditions also hindered the production of subtropical fruits, deciduous fruits and vegetables in parts of the country. Excluding the agricultural sector, the economy would have expanded by 0.4%. There was also a slowdown in transport services, trade (due in part to weak vehicle sales and slow business at restaurants and fast-food outlets) and government spending. Lower employment numbers in the civil service also dragged on economic growth. In addition, exports fell by almost 4% - the biggest decline in three years. Exports and imports of passenger vehicles were down, while there was weaker trade in precious metals.

However, SA's biggest economic sector finance grew. Three other industries also performed poorly. Transport, storage & communication was the second largest negative contributor, recording a decline in land transport and transport support services. Disappointing figures from the wholesale trade, motor trade and restaurant, fast-food & catering sectors pushed the trade, catering & accommodation industry lower. The general government was weaker on the back of lower employment numbers in the civil service. Not all was bad news. Finance was the largest positive contributor, pushed higher by banking, insurance, real estate and other business services. The electricity, gas & water supply industry expanded for a second straight quarter, driven higher by a rise in electricity generation and consumption. Stronger manganese and chromium ore production helped boost mining. Iron, steel & machinery production drove much of the upward momentum in manufacturing. Construction’s second straight rise of 1,1% may seem relatively small, but it’s the biggest increase in two years. The positive showing in the third quarter was mainly driven by construction works, with support from activities related to non-residential buildings. On the expenditure (demand) side of the economy, exports decreased by 3,7%, representing the largest decline in three years. The slump was mainly due to weaker trade in pearls, precious & semi-precious stones and precious metals; vehicles & transport equipment (excluding large aircraft); chemical products; base metals & articles of base metals; and machinery and electrical equipment.

The Department of Petroleum and Mineral Resources has published the official fuel price adjustments that will take effect on Wednesday, 4 December 2024. November saw both the global price of diesel increase and the rand come in weaker relative to October, leading to an under-recovery in both petrol and diesel prices. This has translated to a price hike at the pumps, marking the second consecutive month of increases. Prices will be going up by 17 cents per litre for both 93 and 95 petrol and between 54.88 and 55.88 cents per litre for diesel. After two months of petrol price hikes, South African motorists may be in store for a tough start to the new year. Early data from the Central Energy Fund (CEF) shows that fuel prices are starting December with under-recoveries in price, pointing to possible price hikes come the new year. Petrol is showing an under-recovery of around 8 cents per litre, while diesel prices are starting the month with an under-recovery around 20 cents per litre.

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Source: SAFEX, Standard bank, Stats SA, Reuters, Red Meat Abattoir Association, FNB and Absa Bank.