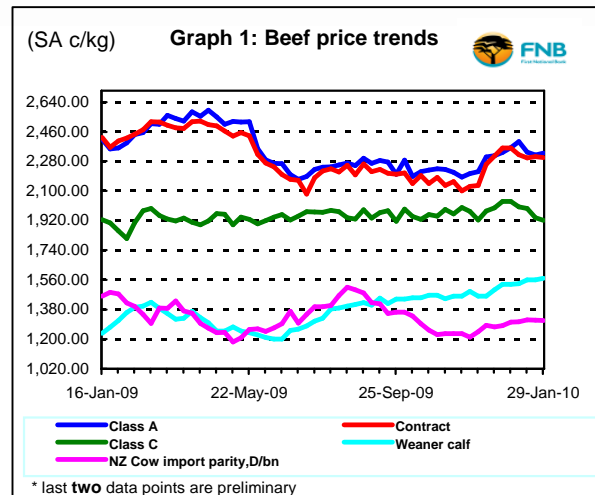


Beef market trends (Graph 1)

- **International:** US domestic market moved sideways to higher on moderate to good demand. Market activity on imported beef was reportedly moderate but supplies remained tight. The weaker Rand/ US dollar exchange rate however placed upward pressure on import parity prices.
- **Domestic:** The beef market started the year on a relatively firmer note but softened somewhat during mid-month as demand weakened. Prices traditionally come under pressure because of tighter consumer budgets resulting from competing needs such as expenditure on school requirements. Meanwhile, good rains have improved grazing conditions, affording farmers an opportunity to keep their cattle on farms. As a result, weaner calves traded at higher R15.60/ kg live weight which is almost 26% higher than last year this time. Weekly class A, contract class A and class C beef closed at R23.25/ kg, R23/ kg and R19.59/ kg. Regarding hide prices, there is still no improvement due to lack of demand and this is likely to continue in the short to medium term.

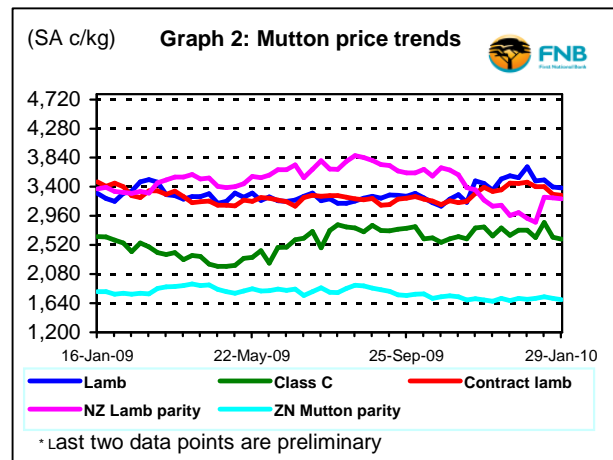


OUTLOOK

Beef prices are expected to trade firm to higher in the medium term as demand peaks in the build-up towards the soccer world cup.

Mutton market trends (Graph 2)

- **International:** New Zealand export prices continued to trade sideways to firmer supported by tight supplies. Meanwhile, New Zealand lamb exports for Jan-November were reported down 8% year on year while Australian mutton exports for 2009 were reported down 15%, attributable to reduced sheep numbers.
- **Domestic:** The lamb and mutton prices traded firmer early in the New Year but have since cooled off due to subdued demand. This market also posted a solid performance during December with prices lamb trading above R38/ kg in some instances. Weekly Class A, Class C and Contract class A prices closed at R35.01/ kg, R26.50/ kg and R34.10/ kg. Feeder lamb prices also traded lower at R15.50/ kg live weight, down 1.5% compared to last week but slightly higher than last by almost 3%.



OUTLOOK

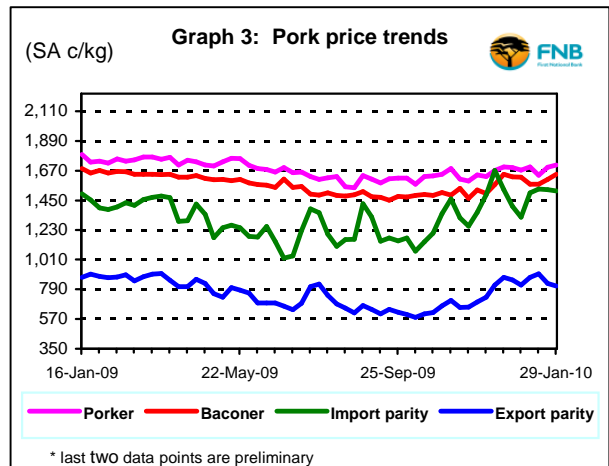
Lamb and mutton prices are expected to continue to soften in the short term due to subdued demand.

Pork market trends (Graph 3)

- International: US pork prices traded firmer across all categories on the back of improved uptake and limited supplies. Import parity prices ended a bit firmer, attributable to better international prices and a weaker Rand/ UD dollar exchange rate.
- Domestic: Weekly porker and baconer prices ended the week at R16.37/ kg and R15.71/ kg respectively. The number slaughtered for the first week of the year was substantially lower, coming in at 9,151 pigs which is almost 12% down on last year. Meanwhile, total pork imports for Jan-November 2009 came in at 25,303 tons, up 43% compared to the same period last year.

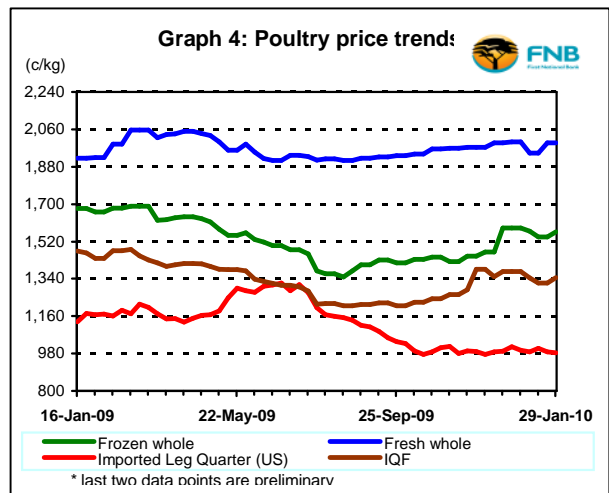
OUTLOOK

Prices are expected to steady to firmer in the short to medium term.



Poultry market trends (Graph 4)

- International: US broiler prices traded firm to higher across most cuts on light to fairly good demand. Retail and food service demand were reported mostly light to moderate with adequate supplies to satisfy market requirements. Weekly leg quarter prices closed up 1.3% week on week and almost 16% year on year. Weekly US broiler egg sets and chick placements for the first week of the year were reported lower with the expected number available for marketing during the week ending 20-Feb-10 estimated at 154.7m head compared to 154.5m head a week earlier. Import parity prices ended slightly firmer, attributable to higher international prices and a weaker Rand/ US dollar exchange rate.
- Domestic: Unlike other meat markets, the chicken market came under significant downward pressure as demand slipped due to reduced spending power of the consumer. Prices traded lower across all product categories. On the feeding side, prices have declined modestly in the recent past with yellow maize, which is a major ingredient in livestock feeding, trading below R1,500/ ton.



OUTLOOK

Prices are poised to remain in a downward trend in the short to medium term. However, red meat prices still remain relatively high and this bodes well for poultry demand as consumers are likely to switch to poultry since it is a relatively cheaper source of protein.

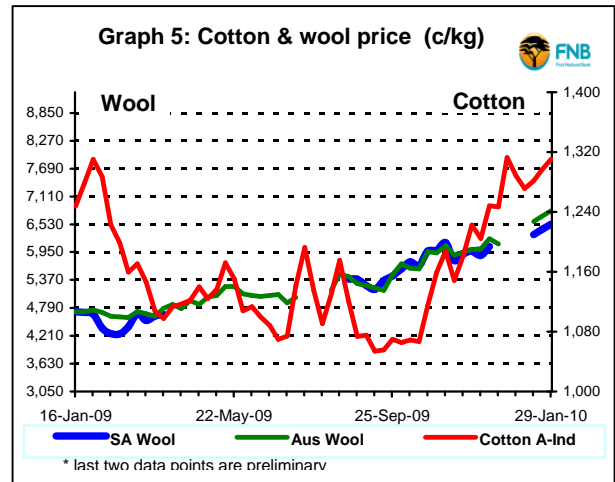
| Producer prices for selected livestock commodities 15 January 2010 | Beef | Mutton | Pork | Poultry |
|---|-------|--------|-------|---------|
| Class A / Porker / Fresh whole birds(R/kg) | 23.35 | 35.01 | 16.37 | 19.46 |
| Class C / Baconer / Frozen whole birds(R/kg) | 19.92 | 28.59 | 15.50 | 15.43 |
| Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg) | 23.00 | 34.00 | 15.71 | 13.19 |
| Import parity price (R/kg) | 13.18 | 17.35 | 15.33 | 10.05 |
| Weaner Calves / Feeder Lambs (R/kg) | 15.60 | 15.50 | | |



How can we help you?

Wool and cotton market trends (Graph 5)

- International:** US cotton prices finished the week slightly weaker due to the spill over weakness from the grains market together with a stronger dollar. Weekly prices were down 0.4% compared to last week but still 39% higher when compared to the same week last year. Weekly spot transactions were reported at 15,059 bales, down 57% compared to last week and 36% on last year. Total spot transactions for the season came in at 560,644 bales, down 7% compared to the corresponding week last year. Weekly cotton futures on ICE (US) futures ended softer: Mar-10 was down 0.5% w/w at 72.08 USc/lb; May-10 closed down 0.6% w/w at 73.19 USc/lb; Jul-10 was almost unchanged compared to last week at 74.24 USc/lb; Oct-10 was down 0.5% w/w at 73.59 USc/lb.
- Domestic:** The wool market continued its upward trend supported by tight global supplies, improved demand and spill over strength from the Australian wool market. The SA wool market resumed on a firmer note after the festive break, which saw the Cape Wools' Merino indicator closing at R63,20/kg (clean), up 4,1% from the previous sale and 10,1% above the current season's average.
- It is expected that the market will maintain the current momentum in the medium term.

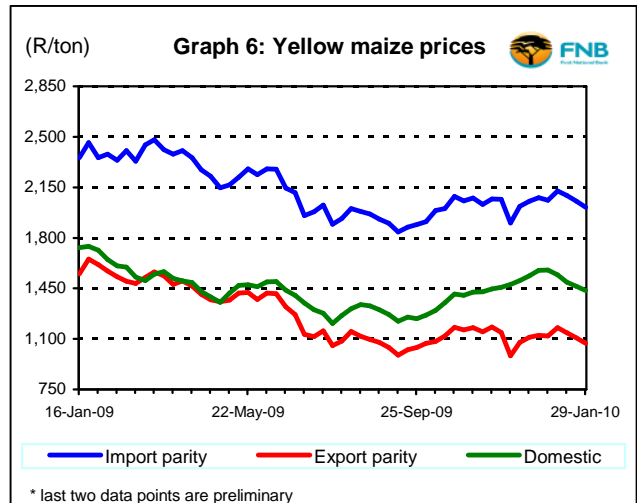


| Fibre market prices 15 January 2010 | SA prices (R/kg) | Australian prices (R/kg) | Australian futures Mar-10 (AU\$/kg) | Australian futures Jul-10 (AU\$/kg) |
|--|--------------------------------|----------------------------------|---|---|
| Wool market indicator (R/kg) | 63.20 | 65.89 | | |
| 19µ long length wool (R/kg) | - | 75.22 | 10.55 | 10.30 |
| 21µ long length wool (R/kg) | 64.90 | 67.17 | 9.35 | 9.23 |
| 23µ long length wool (R/kg) | 60.35 | 62.53 | 8.55 | 8.43 |
| | SA derived Cotton (R/kg) | New York A-Index (US\$/kg) | New York future Mar-09 (US\$/kg) | New York future May-10 (US\$/kg) |
| Cotton Prices (R/kg) | 12.82 | 1.72 | 1.59 | 1.61 |



Yellow maize market (Graph 6)

- **International:** US yellow maize prices moved modestly lower under pressure due to the combination of bearish influence from the USDA outlook report, sluggish export demand and a firmer dollar. Lower crude oil prices added to the weaker tone. Weekly prices were down 4% week on week but still 3% higher when considered year on year. USDA's monthly production report raised production 6m tons from the previous estimate to 334m tons, with yields per hectare raised by 1.4%. Ending stocks increased by 5% to 45m tons. Import parity prices for yellow maize (Randfontein) closed down 1.5% week on week and 11% year on year, attributable to lower international prices.
- **Domestic:** Yellow maize prices eased modestly lower due to improved production conditions and spill over weakness from the international market. Weekly prices were down 3.2% week on week and almost 14% year on year, closing at R1,493/ ton. Maize deliveries reached 11.2m tons last week, which is slightly higher than the week earlier. White maize deliveries rose by 5,000 tons to 6.5m tons while for yellow maize were pegged at 4.7m tons, up 7,000 tons compared to the week earlier. Weekly yellow maize Safex futures were down across the board: Sep-10 closed at R1,445/ ton, down 6% w/w; Jul-10 closed at R1,405/ ton, down 6% w/w; May-10 was down 5% w/w to R1,415/ ton; Mar-10 was down 5% w/w at R1,468/ ton. Chicago Corn on Safex: Mar-10 was down 10% w/w; Jul-10 was down 10% w/w.



OUTLOOK

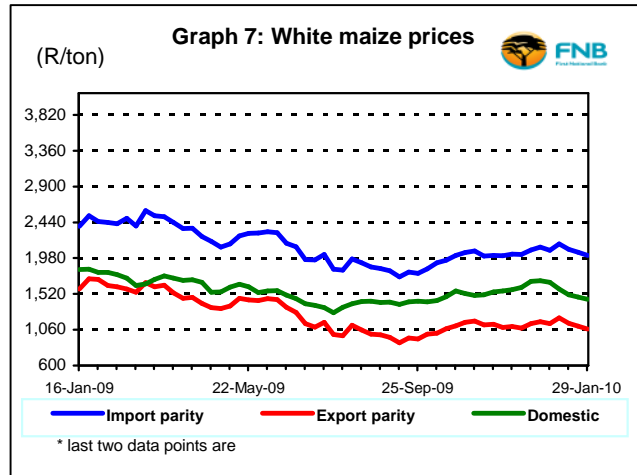
Prices are expected to continue trading sideways to lower in the short to medium term due to favourable conditions which improves crop prospects. Good rains have fallen in most areas.

| Yellow Maize Futures 15 January 2010 | Mar-10 | May-10 | July-10 | Sep-10 | Dec-10 | | | |
|---|--------|--------|---------|--------|--------|--------|-----|------|
| CBOT (\$/t) | 146.33 | 150.67 | 154.21 | 157.21 | 159.96 | | | |
| SAFEX (R/t) | 1,415 | 1,415 | 1,405 | 1,445 | 1,517 | | | |
| CHICAGO CORN (R/t) | 1,110 | - | 1,185 | - | - | | | |
| Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005) | | | | | | | | |
| Mar-10 | | | May-10 | | | Jul-10 | | |
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 1,500 | 80 | 48 | 1,460 | 113 | 68 | 1,440 | 142 | 107 |
| 1,460 | 58 | 66 | 1,420 | 90 | 85 | 1,400 | 119 | 124 |
| 1,420 | 40 | 88 | 1,380 | 70 | 105 | 1,360 | 99 | 144 |



White maize market trends (Graph 7)

- **International:** US white maize fell sharply on the back of improved production outlook and bearish influences from crude oil and dollar strength. Weekly white maize prices were up 6.5% week on week but almost unchanged when compared to last year. White maize import parity prices (Randfontein) were down 3% week on week and almost 13% year on year, mainly due to lower international prices.
- **Domestic:** White maize prices posted modest losses due to the spill over weakness from the international market. Weekly white maize prices closed at R1,510/ ton, down 4.5% week on week and 18% year on year. Weekly white maize export sales reached 39,009 tons during last week, mainly to drought stricken Kenya. White maize (WM) futures on Safex traded: Mar-10 was down 8% w/w; May-10 closed down 8% w/w; Jul-10 closed down 7% w/w.



OUTLOOK

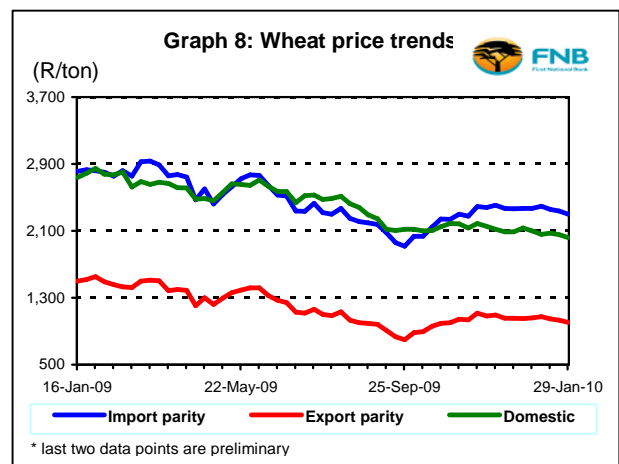
Good rains continued to fall across the country which will be beneficial to the growing crops. Prices are poised to remain in a downturn in the short to medium.

| White Maize Futures 15 January 2010 | Mar-10 | May-10 | July-10 | Sep-10 | Dec-10 |
|--|--------|--------|---------|--------|--------|
| SAFEX (R/t) WM ₁ | 1,451 | 1,406 | 1,408 | 1,440 | - |

| Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005) | | | | | | | | |
|--|-----|------|--------|-----|------|--------|-----|------|
| Mar-10 | | | May-10 | | | Jul-10 | | |
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 1,500 | 95 | 46 | 1,440 | 113 | 79 | 1,440 | 153 | 121 |
| 1,460 | 71 | 62 | 1,400 | 91 | 97 | 1,400 | 131 | 139 |
| 1,420 | 51 | 82 | 1,360 | 72 | 118 | 1,360 | 110 | 158 |

Wheat market trends (Graph 8)

- **International:** US wheat prices closed modestly lower due to the spill over pressure from maize and soybean markets. Bearishness about large grain supplies added to the weaker tone. USDA monthly supply and demand report raised US wheat ending stocks to 27m tons. Export sales also came in below expectations at 181,900 tons, adding to the weaker tone. Weekly wheat prices were down 2.8% week on week and 2.5% year on year. Wheat import parity (Randfontein) weakened under pressure mainly due to lower international prices.
- **Domestic:** Local wheat prices shrugged off bearishness on the international market and ended a bit firmer supported by a slightly weaker Rand. Weekly wheat prices closed 0.8% higher at R2,075/ ton. This is however still 19% lower when compared to the corresponding week last year. Weekly wheat futures on Safex ended slightly firmer across the board: Mar-10 was up 0.6% w/w (R13/t) at R2,133/ ton.



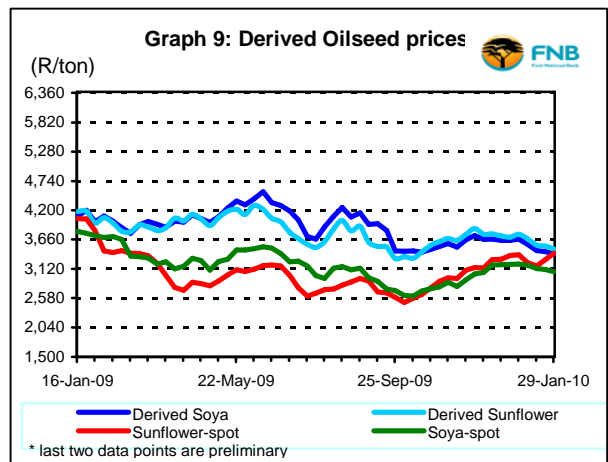
OUTLOOK

It is expected that prices trade sideways with limited upward potential due to the bearish influence from the international grain markets.

| Wheat Futures 15 January 2010 | Mar-10 | May-10 | July-10 | Sep-10 | Dec-10 | | | |
|---|--------|--------|---------|--------|--------|--------|-----|------|
| KCBT (\$/t) | 188.13 | 192.45 | 196.95 | 201.08 | 207.79 | | | |
| SAFEX (R/t) | 2,133 | 2,168 | 2,208 | 2,230 | 2,280 | | | |
| Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005) | | | | | | | | |
| Mar-10 | | | May-10 | | | Jul-10 | | |
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 2,180 | 97 | 50 | 2,200 | 147 | 115 | 2,240 | 169 | 137 |
| 2,140 | 73 | 66 | 2,160 | 126 | 134 | 2,200 | 147 | 155 |
| 2,100 | 54 | 87 | 2,120 | 106 | 154 | 2,160 | 127 | 175 |

Oilseed market trends (Graph 9)

- International:** US soybean prices finished the week lower across the soybean complex on bearish supply outlooks and dollar strength. Yields were reported higher, raising production to a record 92m tons. Global ending stocks were pegged at 60m tons, up 5% from the previous estimate. Weekly soybean, soymeal and soyoil prices were down 4.1%, 4.6% and 3.6% respectively compared to last week. Derived soybean and sunflower prices were down by 3% respectively week on week, attributable to lower international prices despite a slightly weaker Rand.
- Domestic:** Domestic sunflower prices remained under pressure and declined due to the spill over weakness from the international market. Weekly sunflower and soybean prices were down 1.8% and 2.0% and closed at R3,174/t and R3,123/t respectively compared to the previous week. The current prices are down 22% and 18% respectively when considered year on year. Soybean futures on Safex were down across the board: Mar-10 was down 6.5% w/w (-R200/t); May-10 was down 6.1% w/w (-R165/t); Jul-10 closed down 6.3% w/w (-R177/t). Sunflower futures on Safex ended mix with the Mar-10 contract almost unchanged compared to last week, while the May-10 contract closed down 1% (-R32/t).



OUTLOOK

Domestic soybean and sunflower prices will continue to trade sideways with further upward potential for sunflower.



| Oilseeds Futures 15 January 2010 | Mar-10 | May-10 | July-10 | Sep-10 | Dec-10 |
|-------------------------------------|--------|--------|---------|--------|--------|
| CBOT Soybeans (US \$/t) | 357.88 | 360.16 | 361.70 | 352.08 | - |
| CBOT Soya oil (US c/lb) | 37.53 | 37.94 | 38.35 | 38.64 | 39.05 |
| CBOT Soya cake meal (US \$/t) | 291.70 | 283.90 | 282.90 | 277.40 | 267.10 |
| SAFEX Sunflower seed (R/t) | 3,210 | 3,095 | 3,185 | - | - |
| SAFEX Soybean seed (R/t) | 2,900 | 2,560 | 2,635 | - | - |

Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)

| Mar-10 | | | May-10 | | | Jul-10 | | |
|--------|-----|------|--------|-----|------|--------|-----|------|
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 3,260 | 150 | 100 | 3,140 | 223 | 178 | | | |
| 3,220 | 128 | 118 | 3,100 | 201 | 196 | | | |
| 3,180 | 108 | 138 | 3,060 | 180 | 215 | | | |

Vegetable market trends (Graph 10)

• **Potatoes**

Potato prices finished the week sharply lower on higher volumes. Weekly volumes of potatoes traded increased by 13.2% week on week and were almost 16% higher when compared to the corresponding week last year. Prices closed at R2,540/ ton, down 10% week on week and 26.3% lower when considered year on year. Prices are expected to remain under pressure and weaken in the week ahead.

• **Cabbage**

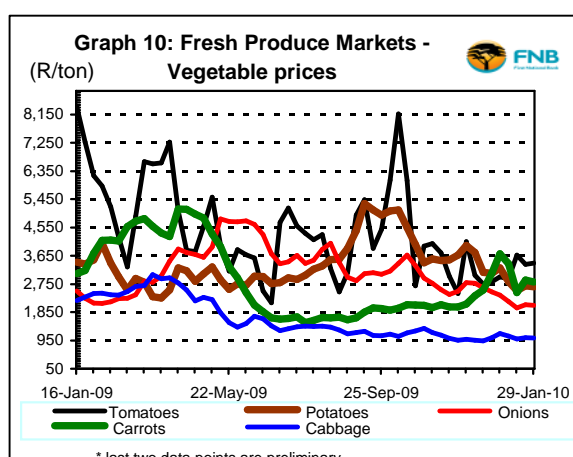
Cabbage prices posted sharp losses under pressure due to lack of demand coupled with increased supplies. Weekly cabbage prices declined by 8.5% week on week and were 55% down on last year, closing at R994/ ton. Volumes of cabbages traded came in at 1,498 tons, up 13.7% week on week and 28% year on year. It is expected that prices will continue to trade sideways to lower due to improved volumes.

• **Carrots**

Carrot prices dropped sharply due to a substantial increase in supplies across most markets. Prices dropped by a whopping 26.9% week on week to close at R2,485/ ton, which is still 19.3% lower when compared to the corresponding week last year. Weekly volumes of cabbages were pegged at 1,395 tons, up 25.5% week on week and almost 12% higher than last year. Prices are expected to trade sideways to lower in the short term.

• **Onions**

Onion prices eased lower due to poor uptake and increased volumes across most markets. Weekly onion prices were down 9.3% week on week and 21.4% lower when considered year on year. Volumes traded came in at 4,410 tons, which is 10.9% higher compared to last week and 14.3% higher compared to the corresponding week last year. Prices are however expected to firm slightly in the short term.



- **Tomatoes**

Tomato prices rose sharply due to a significant drop in supplies across most market, attributable to weather related interruptions. Weekly prices were up 26% week on week, closing at R3,674/ ton but still 56% down on last year. Volumes traded came in at 3,602 tons, down 16% week on week but still 36% higher when considered year on year. It is expected that prices will ease somewhat in the week ahead.

| Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban) | | | | | | |
|--|--------------------------------|------------|------------|-----------------------------|------------|------------|
| Week ending 15 January 2010 | Average Price (R/t) | w/w | y/y | Total Volume (t) | w/w | y/y |
| Tomato | 3,674 | 26.1% | -56.2% | 3602 | -16.0% | 36.2% |
| Potato | 2,540 | -10.0% | -26.3% | 12449 | 13.2% | 15.6% |
| Onion | 1,987 | -9.3% | -21.4% | 4410 | 10.9% | 14.3% |
| Carrot | 2,485 | -26.9% | -19.3% | 1395 | 25.5% | 11.5% |
| Cabbage | 994 | -8.5% | -55.3% | 1498 | 13.7% | 28.1% |

Disclaimer:

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

