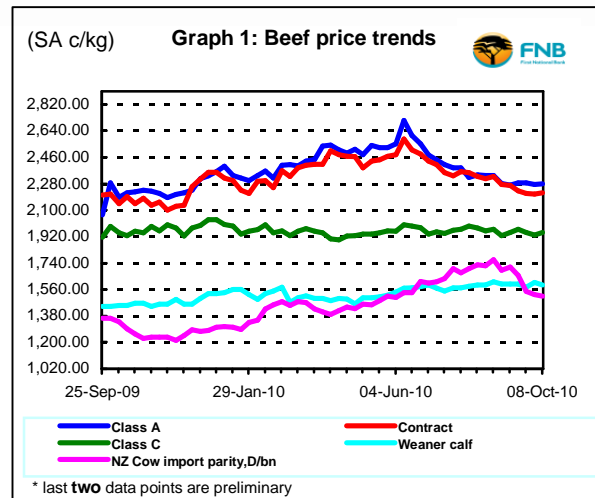


Beef market trends (Graph 1)

- **International:** US domestic lean manufacturing beef prices continued to weaken on seasonal weakness in demand and moderate to heavy supplies. Market activity on imported beef was reportedly slow with prices mostly lower under pressure due to the weaker domestic market. Boxed beef cut-out prices, an indicator of domestic beef at wholesale level, eased lower on limited demand and moderate to heavy supplies. In Australia, wet conditions affected cattle supplies which saw prices trending firm to higher.
- **Domestic:** Demand for beef eased somewhat during midmonth. Weekly Class A, Class C and Contract Class A beef closed at R22.87/kg, R19.49/kg and R22.12/kg respectively. Weaner calf prices eased lower on reduced demand in a short trading week. Weekly weaner calf prices closed at R15.74/kg, down 1.4% w/w but still 9% higher y/y.

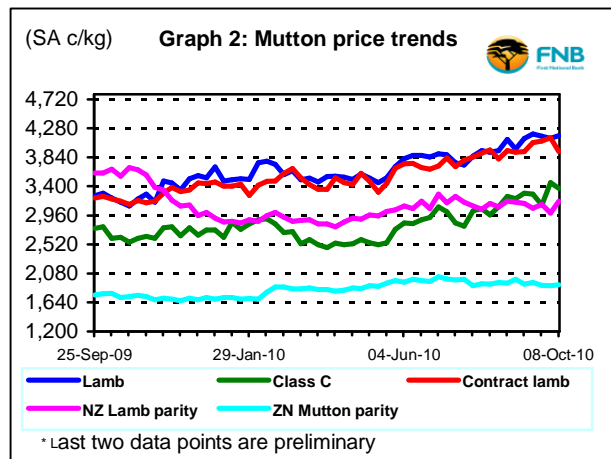


OUTLOOK

Beef prices are expected to move sideways with further upward potential due to month-end demand.

Mutton market trends (Graph 2)

- **International:** US domestic slaughter lambs were steady to lower while ewe prices trended higher compared to the previous week. Feeder lamb continued to trade higher across most markets. In Australia, lamb prices continued to weaken on improved supplies and limited uptake on markets. Weekly lamb supplies were reported up 18% compared to the previous week. Quality of lambs was reportedly good as a result of better seasonal production conditions. Mutton prices trended lower under pressure due to improved supplies and a stronger Australian dollar.
- **Domestic:** Domestic lamb and mutton prices ended mixed, with mutton prices softening under pressure due to limited uptake. Weekly Class A lamb, Class C and Class A contract lamb prices closed at R41.63/kg, R31.24/kg and R40.86/kg respectively. Feeder lamb prices edged higher due to tight supplies across most markets. Weekly feeder lamb prices closed at R20.33/kg live weight, up 5% w/w and 31% y/y..

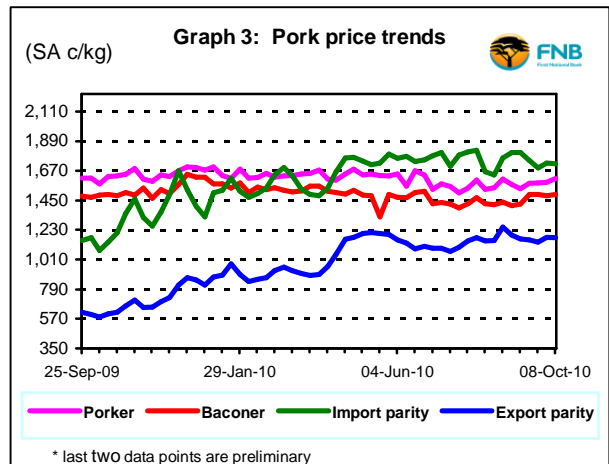


OUTLOOK

Prices will maintain a sideways to firmer trend in the short term but will soften slightly in the medium term due to moderation in demand and increase in supplies.

Pork market trends (Graph 3)

- **International:** US pork prices eased lower under pressure due to increased volumes on markets. Seasonal increase in volumes continued to exert downward pressure on the market. Meanwhile, the rising maize prices will narrow producer margins due to higher feeding costs. This may discourage producers from expanding their operations. Weekly rib and ham prices were down 2% and 3% respectively w/w, loins and rib prices were down 1% w/w.
- **Domestic:** Pork and baconer prices moved sideways on limited demand across most markets. Weekly porker and baconer prices closed at R15.79/kg and R14.85/kg respectively. Import parity prices declined by 3% w/w due to the combined influence of a stronger Rand and lower international prices. Weekly slaughter numbers continued to decline, coming in at 11,608 pigs, down 17% w/w and 22% y/y. The cumulative number for the year to date reached 484,400 pigs, down 2% y/y.

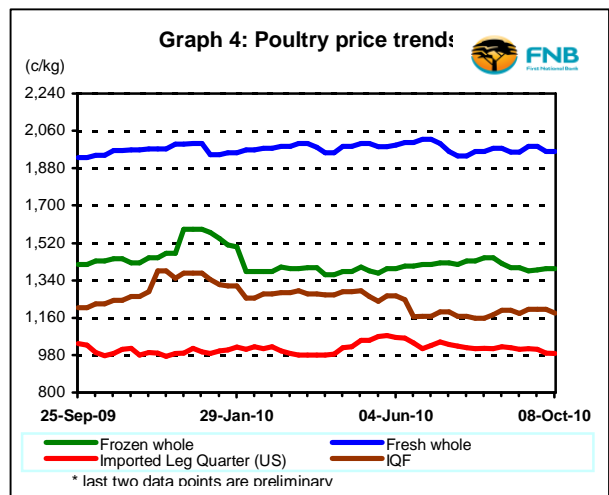


OUTLOOK

Prices are expected to move sideways in the short term, strengthening slightly in the medium term due to the seasonal increase in demand.

Poultry market trends (Graph 4)

- **International:** US domestic prices ended mixed, with whole birds and breast items easing lower due to heavy supplies. Retail and food service demand was reportedly light to moderate approaching the weekend. Market activity was reportedly slow to active, mostly slow to moderate for portions. Weekly US broiler egg sets and chick placements for the week ending September 18 were reported up 5% and 2% respectively y/y. The estimated number of broilers that will be available for marketing during the week ending 30-Oct-2010 came in at 156.6m compared to 156.8m head during the previous week.
- **Domestic:** Prices ended steady to higher on slight improvement in demand. Weekly medium frozen whole bird prices were marginally higher at R13.92/kg, but still down 2% y/y. Fresh whole birds and IQF prices remained steady w/w. Weekly import parity prices (LQ) ended firmer on the back of a stronger Rand/US dollar exchange rate. Further currency strength will exert downward pressure on domestic prices as it makes imports cheaper. On the feeding side, prices for energy and protein components are still relatively low and will impact positively on producer margins. However, the continued recovery in maize prices places a damper on this outlook in the longer term.



OUTLOOK

Domestic prices are expected to firm slightly in the medium term due to the seasonal increase in demand. However, the stronger Rand/US dollar exchange rate may limit further advances as imports become cheaper.

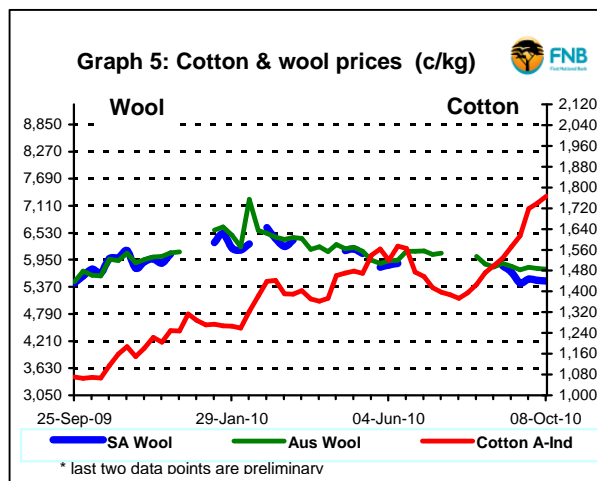


How can we help you?

Producer prices for selected livestock commodities 24 September 2010	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	22.87	41.63	15.79	19.86
Open market: Class C / Baconer / Frozen whole birds(R/kg)	19.49	31.24	14.03	13.92
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	22.12	40.86	14.85	12.00
Import parity price (R/kg)	15.46	19.01	17.00	10.08
Weaner Calves / Feeder Lambs (R/kg)	15.74	20.33		

Wool and cotton market trends (Graph 5)

- **International:** Cotton futures on CME rose sharply for the week: Dec-10 up 1.7% w/w 99.93USc/lb; Mar-11 up 1.5% w/w 98.75USc/lb; May-11 up 1.9% w/w 98.35USc/lb; Jul-11 up 2.8% w/w 97.83USc/lb. Wool: In Australia, the wool market continued to soften on stronger Australian dollar which saw the weekly market indicator (EMI) closing down 0.1% w/w at AU\$8.66/kg clean wool.
- **Domestic:** Wool prices bottomed out and strengthened despite a stronger Rand due to improved uptake. The currency appreciated to its best level in two and half years and traded at R6.98 to the US dollar. Weekly market indicator (Cape Wools Merino) gained 1.5% w/w at R55.33/kg clean wool, but still down 2.2% compared to the current season's average. Sales reached 98% of the 7,576 bales offered. Meanwhile, global supplies are still tight, an upside factor for the market. However the strength of the currency will continue to influence direction. Major buyers were G Modiano SA with 2,522 bales (33.3%), Standard Wool SA with 2,041 bales (26.9%), Stucken & Co with 1,254 bales (16.6%), Lempriere SA with 792 bales (10.5%), Segard Masurel SA with 621 bales (8.2%), New England Wool SA with 188 bales (2.5%).

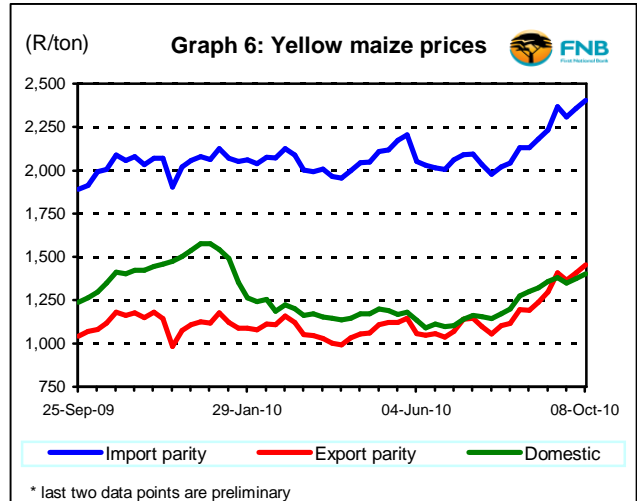


Fibre market prices 24 September 2010	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Nov-11 (AU\$/kg)	Australian futures Mar-11 (AU\$/kg)
Wool market indicator (R/kg)	55.33	57.86		
19µ long length wool (R/kg)	67.92	69.35	9.95	9.90
21µ long length wool (R/kg)	56.58	59.20	8.70	8.70
23µ long length wool (R/kg)	53.34	55.52	8.23	8.15
	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	New York future Dec-10 (US\$/kg)	New York future Mar-11 (US\$/kg)
Cotton Prices (R/kg)	17.19	2.43	2.20	2.17



Yellow maize market (Graph 6)

- International: US yellow maize prices continued to post strong gains supported by concerns over the US crop yields, weak US dollar and improved export interest. However harvest pressure limited further gains, with progress posted at approximately 18% complete, almost double the average of 10%. Despite an expected reduced US crop it will still be among the largest on record. Yields were disappointingly low from the early-harvested crop that was affected by heavy rains and late-season heat.
- Domestic: Local yellow maize prices ended lower under pressure from the Rand strength. Weekly yellow maize prices closed at R1,348/ton, down 2.4% w/w but up 9% y/y. Yellow maize import parity closed down 2.4% w/w, mainly due to a stronger Rand. Weekly yellow maize deliveries increased to 4.16m tons, slightly higher than the previous week. Yellow maize export rose sharply to 5,317 tons during the previous week, bringing total exports for the season to 253,095 tons. Weekly yellow maize Safex futures: Dec-10 down 3.5% w/w (-R51/t); Mar-11 down 3% w/w (-R44/t); May-11 down 1.2% w/w (-R18/t); Jul-11 down 2.5% w/w (-R37/t).



OUTLOOK

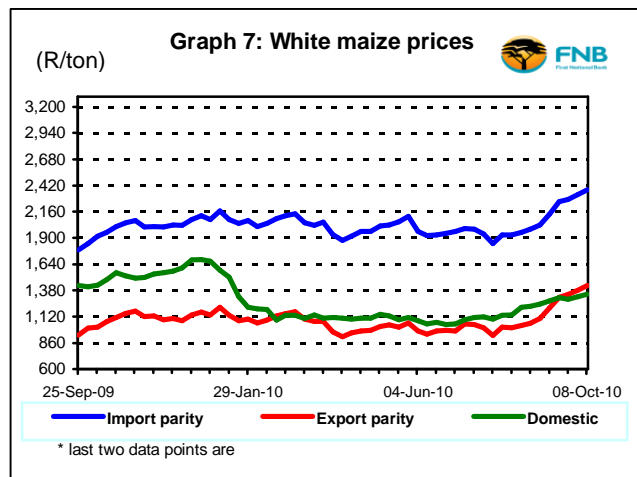
Weather concerns will continue to have a positive influence on US prices. Domestic prices will continue to recover due to the bullish trend on international markets.

Yellow Maize Futures 24 September 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
CBOT (\$/t)	205.51	210.47	212.60	213.55	200.94
SAFEX (R/t)	1,390	1,422	1,456	1,456	-
CHICAGO CORN (R/t)	1,405	1,460	-	1,511	-

Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-10			Mar-11			May-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,440	96	46	1,460	143	105	1,480	172	139
1,400	73	63	1,420	121	123	1,440	149	156
1,360	53	83	1,380	100	142	1,400	128	175

White maize market trends (Graph 7)

- International: US white maize prices posted modest gains on supportive outside markets and ongoing concerns over yield reduction. Improved export demand and a weaker US dollar provided added support. Prices increased by 5.7% w/w and 48% y/y.
- Domestic: White maize prices reversed last week's gains and ended lower, influenced by the strengthening Rand. Weekly white maize prices increased by 1.1% w/w reaching R1,291/ton, but still down 10% y/y. White maize import parity however ended firmer despite a stronger Rand, up 0.8% w/w and 28% y/y, due to higher international prices. Weekly white maize deliveries to the country's silos rose to 7.11m tons; slightly higher



w/w. Total maize deliveries to the country's silos increased to 11.27m tons. Meanwhile, the maize forecast was reduced marginally by 0.4% but still at a record 13.09m tons. This means outstanding delivery for the current season is about 2m tons. White maize (WM) futures on Safex: Dec-10 down 3.5% w/w (-R47/t); Mar-11 down 3.6% -R50/t); May-11 down 3.1% (-R44/t); Jul-11 down 3.1% (-R45/t).

OUTLOOK

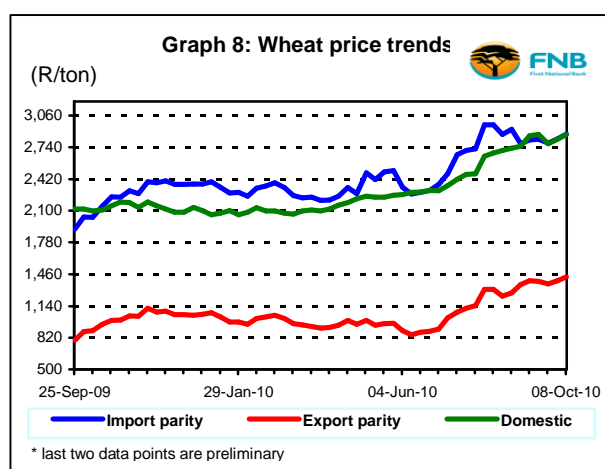
Domestic prices will continue to recover on the back of the bullish trend on international markets.

White Maize Futures 24 September 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
SAFEX (R/t) WM ₁	1,316	1,349	1,370	1,397	-

Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-10			Mar-11			May-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,360	89	45	1,380	135	104	1,440	174	104
1,320	66	62	1,340	112	121	1,400	149	119
1,280	47	83	1,300	92	141	1,360	127	137

Wheat market trends (Graph 8)

- International: Wheat prices eased slightly lower after sharp rally during the past few weeks. Weather concerns in Russia, Canada and Australia continued to support the market and reduced further losses. Planting delays in Russia and dryness in Australia will see reduced harvests. Meanwhile the International Grains Council (IGC) kept its 2010/11 wheat estimate unchanged at 644m tons, slightly above the USDA's 643m tons earlier this month.
- Domestic: Domestic wheat prices drifted lower tracking the downward trend on the international market and the appreciation of the Rand. Weekly wheat prices on Safex declined by 3.2% w/w and closed at R2,775/ton, but still 24% higher y/y. Wheat import parity prices (Randfontein) continued to weaken under pressure from the strengthening of the Rand against the US dollar and lower international prices. Wheat futures ended lower across the board: Dec-10 down 1.4% w/w (-R38/t); Mar-11 down 1.3% w/w (-R36/t); May-11 down 0.8% w/w (-R24/t).



• **OUTLOOK**

Upward trend will continue given bullish wheat fundamentals. However the stronger currency (R/US\$) will limit further gains.

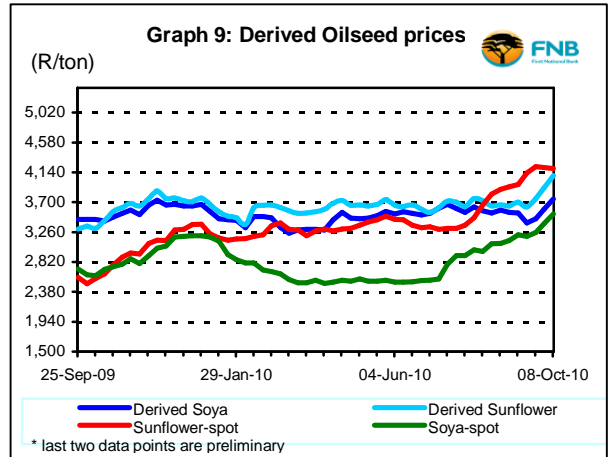
Wheat Futures 24 September 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
KCBT (\$/t)	283.29	284.03	280.45	280.54	-
SAFEX (R/t)	2,730	2,804	2,852	-	-

Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-10			Mar-11			May-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,780	121	71	2,840	181	145	2,900	214	166
2,740	98	88	2,800	159	163	2,860	192	184
2,700	78	108	2,760	139	183	2,820	171	203



Oilseed market trends (Graph 9)

- **International:** US soybean prices rallied due to weather concerns around the world and the strong export demand especially from China. Weekly US export sales came in higher than expected at 1.1m tons. Weakness in the US dollar added to the firmer tone as it improved the competitiveness of US exports. In the product category, soybean meal and soybean oil increased on the back of strength in the soybean complex.
- **Domestic:** Oilseed prices traded on Safex ended slightly higher despite a stronger Rand due to higher international prices. Soybeans were up 1.8% w/w and 20% y/y, closing at R3,25/ ton. Weekly sunflower prices increased by 2.4% w/w and 63% y/y, closing at R4,229/ ton. The expected sunflower crop remained unchanged at 516,265 tons compared to the previous month, but soybean estimate was reduced by 4,750 tons to 560,950 tons. Weekly soybean futures on Safex: Dec-10 up 1.2% w/w (+R40/t); Mar-11 almost unchanged w/w; May-11 up 2% w/w (+R55/t). Sunflower futures on Safex: Dec-10 up 3.7% w/w (+R155/t); May-11 up 3% w/w (+R95/t); May-11 up 3% w/w (+R95/t).



OUTLOOK

Prices are expected to trend a bit higher on spill over strength from the internal market. However, the stronger Rand/US dollar exchange rate will continue to have a downward influence on the local market.

Oilseeds Futures 24 September 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
CBOT Soybeans (US \$/t)	-	419.76	420.35	421.52	409.69
CBOT Soya oil (US c/lb)	44.89	45.46	45.52	45.64	45.74
CBOT Soya cake meal (US \$/t)	317.00	321.10	321.90	323.10	313.10
SAFEX Sunflower seed (R/t)	4,345	3,950	3,305	3,340	-
SAFEX Soybean seed (R/t)	3,300	3,080	2,780	2,825	-

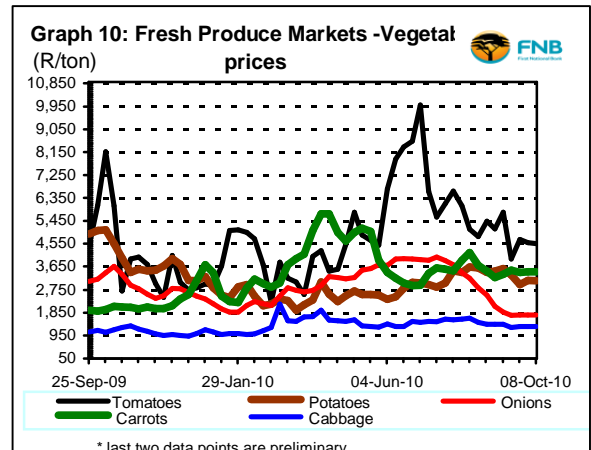
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)

Dec-10			Mar-11			May-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,380	233	198	3,990	365	325	3,340	354	319
4,340	212	217	3,950	343	343	3,300	331	336
4,300	191	236	3,910	321	361	3,260	310	355



Vegetable market trends (Graph 10)

- Tomatoes**
 Tomato prices increased sharply due to decreased supplies on markets. Prices surged by 19.6% w/w and 5.2% y/y, closing at R4,714/ton. Volumes traded reached 3,505tons, down 23% w/w and 11.9% y/y. Prices are however expected to weaken slightly in the short term due to improved supplies.
- Potatoes**
 Potato prices decreased slightly due to weak uptake on markets. Prices were down 11.2% w/w and 40.4% y/y, closing at R2,946/ton. Volumes traded declined by 6% w/w reaching 10,178 tons but still 10.1% higher y/y. Prices are expected to improve somewhat in the short term and ease lower towards mid-Oct.
- Onions**
 Onion prices increased slightly due to low supplies on markets. Prices increased to R1,756/ton, up 0.8% w/w but down 42.7% y/y. Volumes traded declined by 5.5% w/w to 4,239, up 8.5% y/y. Prices are however expected to ease somewhat in the short term with limited upside potential as supplies recover.
- Carrots**
 Carrot prices decreased slightly due to limited uptake on markets. Prices declined by 2.3% w/w but were up 74.9% y/y closing at R3,425/ton. Volumes traded reached 1,078 tons, down 6.5% w/w and 21.7% y/y. Prices are expected to remain firm due to limited supplies on markets.
- Cabbages**
 Cabbage prices increased slightly due to limited supplies on markets. Prices increased by 3.3% w/w and 18.4% y/y closing at R1,299/ton. Volumes traded reached 1,349 tons; down 14.2% w/w and 20.3% y/y. Prices are expected to improve somewhat in the short term but with limited upward potential.



Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)						
Week ending 24 September 2010	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	4,714	19.6%	5.2%	3505	-23.0%	-11.9%
Potato	2,946	-11.2%	-40.4%	10178	-6.0%	10.1%
Onion	1,756	0.8%	-42.7%	4239	-5.5%	8.5%
Carrot	3,425	-2.3%	74.9%	1078	-6.5%	-21.7%
Cabbage	1,299	3.3%	18.4%	1349	-14.2%	-20.3%

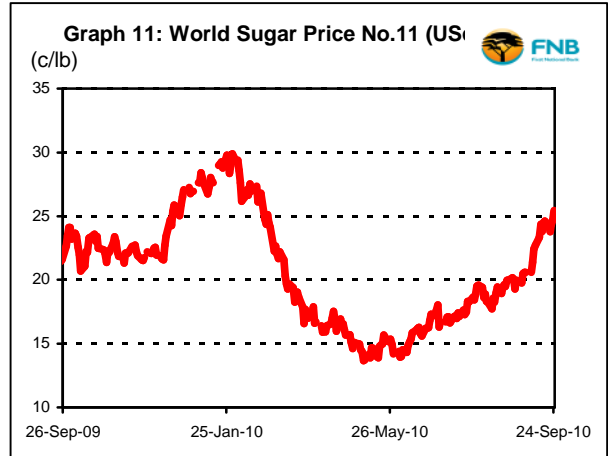
* Daily prices also available at <https://www.fnbagricomms.co.za>



How can we help you?

Sugar market trends (Graph 11)

- International: World sugar prices continued to increase underpinned by strong demand and tight global supplies. Weather concerns due to prolonged dry conditions in Brazil continued to support the market. Weekly world sugar prices closed at 24.51USc/lb, up 1.6% w/w. Weekly ICE sugar futures trended higher across the board.
- Domestic: The monthly 2010/11 RV (Recoverable Value) price, a measure of the value of the sugar and molasses that will be recovered from the sugar cane delivered by the individual grower, advanced by 0.8% in August to R2,569.55/ton. The increase is attributable to the drop of 66,632 ton in production and the higher weighted average world price (US20.31c/lb vs. US19.86c/lb) and the weaker weighted average Rand (R7.53 vs. R7.47/US\$) according to the SA Cane growers. The currency strengthened significantly since the beginning of September and remained at its best around R7.00 to the US dollar during the week.



ICE Sugar Futures 24 September 2010	Mar-11	May-11	Jul-11	Oct-11	Mar-12
Sugar No.11 (US c/lb)	24.40	22.59	20.76	19.70	18.88
% Change w/w	4.9%	4.8%	4.0%	2.9%	2.8%

Disclaimer:

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