

# GSA Afternoon Market Commentary

07 July 2015



|                               | 2015/07/07   |            |               |                | 2015/07/06    |                      | 2015/07/06                  |                           |                           | 2015/07/03                  |
|-------------------------------|--|------------|---------------|----------------|---------------|----------------------|-----------------------------|---------------------------|---------------------------|-----------------------------|
|                               | New (12:00pm)  | Δ          | Δ%            |                | New (12:00pm) |                      | New FOB (\$/ton)            | Δ                         | Δ%                        | Prev FOB                    |
| 1 EURO: ? USD                 | 1.0992   | -0.0058    | ▼             | -0.53%         | 1.1050        | USA MAIZE            | 194                         | 0                         | 0.0%                      | 194                         |
| 1 USD: ? ZAR                  | 12.46  | 0.0819     | ▲             | 0.66%          | 12.38         | ARG MAIZE            | 187                         | -2                        | -1.1%                     | 189                         |
| Corn Jul 15 (c/bu)            | 414.00   | 1.75       | ▲             | 0.4%           | 412.25        | USA HRW WHEAT        | 254                         | 0                         | 0.0%                      | 254                         |
| Corn Sep 15 (c/bu)            | 422.00   | 1.75       | ▲             | 0.4%           | 420.25        | GERMANY WHEAT        | 230                         | -1                        | -0.4%                     | 231                         |
| Soybean Jul 15 (c/bu)         | 1027.25  | -5.75      | ▼             | -0.6%          | 1033.00       | USA SOY              | 415                         | 0                         | 0.0%                      | 415                         |
| Soybean Sep 15 (c/bu)         | 1008.75  | -6.25      | ▼             | -0.6%          | 1015.00       | USA SORG             | 271                         | 0                         | 0.0%                      | 271                         |
| Wheat Jul 15 (c/bu)           | 587.75   | 11.50      | ▲             | 2.0%           | 576.25        | FRANSBARL            | 211                         | 5                         | 2.4%                      | 206                         |
| Wheat Sep 15 (c/bu)           | 587.00   | 8.50       | ▲             | 1.4%           | 578.50        | ARG WHEAT            | 236                         | 5                         | 2.2%                      | 231                         |
| WMAZ Jul 15 (R/t)             | 3173   | 50         | ▲             | 1.6%           | 3123          | ARG SOY              | 394                         | -3                        | -0.8%                     | 397                         |
| WMAZ Sep 15 (R/t)             | 3205   | 54         | ▲             | 1.7%           | 3151          | ARG SORG             | 179                         | 0                         | 0.0%                      | 179                         |
| YMAZ Jul 15 (R/t)             | 2796   | 43         | ▲             | 1.5%           | 2753          | EU SUNS              | 461                         | 0                         | 0.0%                      | 461                         |
| YMAZ Sep 15 (R/t)             | 2806   | 42         | ▲             | 1.5%           | 2764          | CANADA CANOLA        | 461                         | 0                         | 0.0%                      | 461                         |
| WHEAT Jul 15 (R/t)            | 3921   | 11         | ▲             | 0.3%           | 3910          | ARG GROUNDNUT        | 1070                        | 0                         | 0.0%                      | 1070                        |
| WHEAT Sep 15 (R/t)            | 3940   | 20         | ▲             | 0.5%           | 3920          | USA GROUNDNUT        | 1280                        | 0                         | 0.0%                      | 1280                        |
| SUN Jul 15 (R/t)              | 5510   | 9          | ▲             | 0.2%           | 5501          | Commodities (R/t)    | Import parity (Randfontein) | Safex minus Import Parity | Safex minus Export parity | Export parity (Randfontein) |
| SUN Sep 15 (R/t)              | 5610   | 10         | ▲             | 0.2%           | 5600          | White maize (USA)    | 3 426                       | -253                      | 1 954                     | 1 819                       |
| SOY50 Jul 15 (R/t)            | 4830   | 25         | ▲             | 0.5%           | 4805          | Yellow maize (USA)   | 3 426                       | -130                      | 977                       | 1 819                       |
| SOY50 Sep 15 (R/t)            | 4905   | 15         | ▲             | 0.3%           | 4890          | Yellow maize (ARG)   | 3 214                       | -118                      | 1 064                     | 1 732                       |
| SORGHUM Jul 15 (R/t)          | 3050   | 0          | ▲             | 0.0%           | 3050          | Wheat (ARG)          | 4 226                       | -305                      | 1 644                     | 2 277                       |
| Malting Barley (Caledon)(R/t) | 3193   | 11         | ▲             | 0.3%           | 3182          | Wheat (Germany)      | 4 213                       | -292                      | 1 656                     | 2 265                       |
| CANOLA(Swellendam)(R/t)       | 4300   | 0          | ▲             | 0.0%           | 4300          | HRW Sep 15           | 4 713                       | -573                      | 1 304                     | 2 636                       |
| GROUNDNUTS(Vaalharts)(R/t)    | Choice: R11500/t,Sundry: R8000/t and Crushing: R2000-R3500/t |            |               |                |               | Wheat (HRW)          | 4 639                       | -118                      | 1 359                     | 2 562                       |
|                               | Silo certificates premiums traded (03/07/2015)               |            |               |                |               | Soybean (USA)        | 6 612                       | -1 782                    | 1 81                      | 4 549                       |
|                               | Grade  | Silo owner | Silo Location | Traded premium |               | Soybean (ARG)        | 6 204                       | -1 374                    | 1 41                      | 4 289                       |
| Soybeans                      | SB   | AFG        | Kransfontein  | R 10.00        |               | Sunflower            | 7 279                       | -1 369                    | 1 81                      | 5 029                       |
| Sunflower                     | FH   | SWL        | Hoopstad      | R 2.00         |               | Malt Barley (France) | 3 534                       | -141                      | 1 171                     | 2 022                       |
|                               | Silo certificates premiums traded (02/07/2015)               |            |               |                |               | Sorghum (USA)        | 4 498                       | -1 448                    | 1 85                      | 2 765                       |
| Yellow Maize                  | YM1  | AFG        | Morgenzon     | R 65.00        |               | Canola               | 7 498                       | -3 998                    | 1 19                      | 5 119                       |
| White Maize                   | WM1  | NWK        | Kleinarts     | R 25.00        |               | Groundnuts (ARG)     | 16 748                      | -5 248                    | 1 32                      | 12 232                      |
| Sunflower                     | FH   | SWL        | Hallatshope   | R 5.00         |               | USA Groundnuts       | 19 638                      | -8 638                    | 1 334                     | 14 834                      |
|                               | Silo certificates premiums traded (01/07/2015)               |            |               |                |               | USA Groundnuts 3.5%  | 19 077                      | -7 577                    | 1 279                     | 14 279                      |
| White Maize                   | WM1  | SWK        | Viljoenskroon | R 10.00        |               | USA WM Jul 15        | 3 466                       | -261                      | 1 224                     | 1 981                       |
| Sunflower                     | FH   | NWK        | Delareyville  | R 8.00         |               | USA YM Jul 15        | 3 466                       | -160                      | 1 225                     | 1 981                       |
| Sorghum                       | GM1  | AFG        | Standerton    | R 1.00         |               | Soybean (USA) May 15 | 6 559                       | -1 654                    | 1 408                     | 4 497                       |

## External factors

The Rand weakened by 0.66% against the US dollar from the level seen at midday yesterday. The Rand weakened further on the back of uncertainty over Greece debt issue. Greece is under pressure to find a deal that will help unlock funds from creditors before another debt repayment deadline on 20 July.

## Summer grains (White maize, Yellow maize and Sorghum)

**Maize:** Domestic maize prices traded higher from yesterday's price levels. White and yellow maize nearest contract month prices were respectively up by R50/t and R43/t, closing at R3173/t and R2796/t. Sep 15 contract month prices also traded higher for both white and yellow maize.

SAGIS reported 2015/16 weekly maize exports for the week ending 03 July at **11 141** tons, with white maize at **10 503** tons and yellow maize at **638** tons, all exports went to African markets. White maize imports are at **262** tons to date, all from Zambia and yellow maize imports at **79 851** tons, all from Argentina. This season's yellow maize exports continue to lag behind last year's figures, currently at **29 971** tons compared to **277 958** tons.

On the international side, corn prices managed to reverse back yesterday's losses, following concerns over excessive rain weather conditions making its way across the northwest Corn Belt. Despite heavy rains in some parts of the US, drier weather conditions reported for the Midwest will bring much needed relief, aiding growth. Yesterday's US crop progress saw a 1% increase in corn ratings from the previous week, 69% of the crop is reported to be in good to excellent condition.

## Winter Grains (Wheat and Barley)

**Wheat:** Domestic wheat prices traded higher from yesterday's price levels at the back of the weak rand. International wheat prices posted significant gains, following concerns over global weather conditions. US winter harvest progress is at 55% complete, slightly lower than the five-year average of 59%. Winter wheat conditions dropped a point down from the previous week, with 40% of the crop rated good to excellent.

SAGIS reported South African wheat imports to date at **1 482 510** tons, with Russia, Germany and Ukraine as the leading suppliers at a combined total of **1 016 804** tons. Wheat exports are at **227 284** tons.

## Oilseeds (Soybean, Sunflower, Canola and Groundnuts)

**Soybeans:** Domestic soybean prices traded higher from yesterday's price levels. International soybean prices closed lower, owing to forecasts for warmer, drier planting conditions in the Midwest. Yesterday's US crop progress report, stated that about 96% of soybeans was on the ground, compared to 100% the previous year as well as the five-year average. The planting window is virtually closed; the unseeded area is estimated to be around 3.5 million acres.

**Sunflower:** Domestic sunflower prices traded higher from yesterday's price levels. Jul 15 and Sep 15 contract month prices were respectively up by R9/t and R10/t, closing at R5510/t and R5610/t. Planting progress is fairly complete in the major planting states of the US, with North Dakota at 100% complete, ahead of the five-year average of 96%. Kansas remains fairly behind at 90% complete, compared to a five-year average of 98%, owing to wet weather conditions during the course of planting. USDA estimated the 2015 sunflower area planted at 1.68 million acres, up 8% from 2014.

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