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GSA Afternoon Market Commentary

24 October 2014

	2014/10/24 New (12:00pm)	Δ	Δ%	2014/10/23 Prev (12:00pm)
1 EURO: ? USD	1.2644	-0.0015	-0.11%	1.2658
1 USD: ? ZAR	10.99	0.0288	0.26%	10.96
Corn Dec 14 (c/bu)	362.25	8.50	2.3%	353.75
Corn Jul 15 (c/bu)	391.75	8.25	2.1%	383.50
Soybean Nov 14 (c/bu)	997.75	31.75	3.2%	966.00
Soybean Mar 15 (c/bu)	1011.00	30.25	3.0%	980.75
Wheat Dec 14 (c/bu)	533.00	9.25	1.7%	523.75
Wheat Mar 15 (c/bu)	546.50	9.25	1.7%	537.25
WMAZ Oct 14 (R/t)	1905	4	0.2%	1901
WMAZ Jul 15 (R/t)	1920	-1	-0.1%	1921
YMAZ Oct 14 (R/t)	1928	-7	-0.4%	1935
YMAZ Jul 15 (R/t)	1953	3	0.2%	1950
WHEAT Oct 14 (R/t)	3580	11	0.3%	3569
WHEAT Dec 14 (R/t)	3631	12	0.3%	3619
SUN Oct 14 (R/t)	4755	-45	-0.9%	4800
SUN May 15 (R/t)	4190	-40	-1.0%	4230
SOY50 Oct 14 (R/t)	5274	69	1.3%	5205
SOY50 May 15 (R/t)	4574	69	1.5%	4505
SORGHUM Dec 14 (R/t)	2460	0	0.0%	2460
Malting Barley (Caledon)(R/t)	3022	11	0.4%	3011
CANOLA(Swellendam)(R/t)	4530	0	0.0%	4530
GROUNDNUTS(Vaalharts)(R/t)	Choice: R12000/t,Sundry: R7500/t and Crushing: R3750-R4500/t			

	2014/10/23 New FOB	Δ	Δ%	2014/10/22 Prev FOB
USA MAIZE	180	-3	-1.6%	183
ARG MAIZE	172	-2	-1.1%	174
USA HRW WHEAT	290	1	0.3%	289
GERMANY WHEAT	238	4	1.7%	234
USA SOY	414	0	0.0%	414
USA SORG	241	-2	-0.8%	243
FRANSBARL	211	4	1.9%	207
ARG WHEAT	270	0	0.0%	270
ARG SOY	429	-1	-0.2%	430
ARG SORG	143	-1	-0.7%	144
EU SUNS	403	0	0.0%	403
CANADA CANOLA	413	-1	-0.2%	414
ARG GROUNDNUT	1395	0	0.0%	1395
USA GROUNDNUT	1330	0	0.0%	1330

Commodities	Import parity (Randfontein)	Imp parity minus Safex	Safex minus Exp parity	Export parity (Randfontein)
White maize (USA)	2 945	3 032	470	1 435
Yellow maize (USA)	2 945	1 025	493	1 435
Yellow maize (ARG)	2 367	439	581	1 347
Wheat (ARG)	3 861	1 908	1165	2 415
Wheat (Germany)	3 561	-19	1516	2 064
HRW Dec 14	4 181	550	935	2 645
Wheat (HRW)	4 171	-584	945	2 635
Soybean (USA)	5 909	1 719	1279	3 995
Soybean (ARG)	6 000	726	31	4 159
Sunflower	5 884	1 310	959	3 796
Malt Barley (France)	3 273	813	1254	1 768
Sorghum (USA)	3 707	685	363	2 097
Canola	6 065	1 535	-962	3 984
Groundnuts (ARG)	18 858	6 858	-2381	14 381
USA Groundnuts	18 066	6 066	-1668	13 668
USA Groundnuts 3.5%	17 550	5 550	-1157	13 157
USA WM Jul 14	3 074	3 163	247	1 673
USA YM Jul 14	3 074	1 121	280	1 673
Soybean (USA) May 14	5 987	1 413	502	4 072

	Grade	Silo owner	Silo Location	Traded premium
	Silo certificates premiums traded (17/10/2014)			
White Maize	WM1	SWK	Protespan	R 40.00
	Silo certificates premiums traded (14/10/2014)			
White Maize	WM1	SWK	Heuningspruit	R 30.00
Sunflower	FH	nwk	Bodenstein	R 10.00
	Silo certificates premiums traded (13/10/2014)			
Yellow Maize	YM1	SWK	Wolwehoek	R 20.00
Soybeans	SB	TWK	Panbult	R 10.00
	Silo certificates premiums traded (30/09/2014)			
Yellow maize	YM1	SWK	Heilbron	R 15.00
	YM1	NWK	Oppaslaagte	R 3.00

External factors

The rand weakened by 0.26% to the US dollar from levels seen at mid-day yesterday. The US$ strengthened by 0.11% to the Euro. The medium term budget added a positive note to the rand as it lessened the chances of a rating downgrade from Fitch, and further signalled a positive note on domestic spending, which would reduce imports.

Summer grains (White maize, Yellow maize and Sorghum)

Maize: Domestic maize prices were mixed; white nearest contract month price showed some slight gains of 0.2%, while yellow maize nearest contact month prices dipped by 0.2%. Additionally, white and yellow maize (Jul 15) contract month prices were respectively down by 0.1% and 0.2%.

International corn prices for (Dec 14) and (Jul 15) were bullish from yesterday's price levels; up by 2.3% and 2.1%, respectively. However, gains were limited by strong yield reports and forecasts for favourable harvest weather in the United States. Zambia's Agricultural Ministry forecasted their 2014 maize production at a record of 3.3 million tons vs. 2.5 tons the previous year, with exports placed at 850 000 tons compared to 350 000 tons the previous year. There was some buying interest in the markets, Turkey purchased 5 000 tons of maize from Russia.

Winter Grains (Wheat and Barley)

Wheat: Domestic wheat prices showed some slight gains from yesterday's price levels; both (Oct 14) and (Dec14) contract month prices were up by 0.3%. As of 24th October, SAGIS placed South African 2013/14 wheat imports at 1 674 million tons vs. 1 393 million tons the previous year.

International wheat prices were bullish; both (Dec 14) and (Mar 15) contracts showed increases of 1.7% from yesterday's price levels; owing to increasing buying interest in the world market, and lingering concerns over winter wheat planting in Russia. SovEcon forecasted that Russia's 2015 wheat production may fall between 15-20%, due to unfavourable crop development weather conditions. Argentina's Agricultural Ministry revised up their 2014 wheat planted area by 0.1 million hectares, to 4.6 million hectares (higher than 3.7 million hectares the previous year). Important to note that excess moisture in southern Buenos Aires led to some losses, but precipitation was beneficial in Santa Fe, Cordoba and La Pampa provinces.

Oilseeds (Soybean, Sunflower, Canola and Groundnuts)

Soybeans: Domestic soybean showed gained some momentum from yesterday's price levels; both (Oct 14) and (May 15) contract month prices were up by 1.3% and 1.5%, respectively.

The international markets showed a bullish price view from yesterday's price levels, owing to better than expected exports sales, with China reported to be the biggest buyer. Additionally, persistent dry weather conditions in key producing areas of Brazil also provided price support. However, weather prospects are expected to improve, which would enable some planting progress. Argentina's Buenos Aires Grain Exchange forecasted their 2014/15 soybean area planted at 20.6 million hectares, compared to 20.4 million hectares the previous year, so far no hiccups reported on the planting progress.

Sunflower: Domestic sunflowerseed prices were down from yesterday's price levels; both (Oct 14) and (May 15) contract month prices were down by 0.9% and 1.0%, respectively. Owing to improved weather conditions, Argentina's sunflowerseed area planted is expected to 1.5 million hectares, with plantings reported to be completed in most key producing areas.

Sources: Grain SA, JSE, CME, wxmaps.com & IGC