

Grain SA's Morning Grain Market Commentary

GRAIN SA GRAAN SA	DATE	DATE			+ - WEEK AGO			+ - MONTH AGO			+ - YEAR AGO		
	2015/07/07	2015/07/06			2015/06/30			2015/06/09			2014/07/08		
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data	
DJIA-index	17684	-46.53 ↓	-0.3%	17730 ↑	0.4%	17620 ↓	-0.5%	17764 ↑	4.6%	16907			
Goud (Spot)	1167.77	-0.43 ↓	0.0%	1168.20 ↓	-0.6%	1174.27 ↓	-1.1%	1180.55 ↓	-11.8%	1323.48			
Brent \$/vat	57.22	-3.10 ↓	-5.1%	60.32 ↓	-9.2%	63.04 ↓	-12.5%	65.38 ↓	-47.4%	108.88			
1 € : ? US\$	1.1030	-0.002 ↓	-0.2%	1.1050 ↓	-0.9%	1.1126 ↓	-2.4%	1.1300 ↓	-19.0%	1.3618			
1 US\$: ? ZAR	12.39	0.017 ↑	0.1%	12.38 ↑	2.0%	12.15 ↓	-0.2%	12.42 ↑	15.9%	10.69			
ΔCBOT 8vm : 12nm*	R 2 023.66	15 ↑	0.7%	R 2 008.75	*CBOT Corn July cents / bushel 08:00 today vs. CBOT Corn July 12:00 the previous day								
ΔCBOT 8vm : 12nm*	R 4 707.69	10 ↑	0.2%	R 4 697.92	*CBOT Soy July cents / bushel 08:00 today vs. CBOT Soy July 12:00 the previous day								
ΔCBOT 8vm : 12nm*	R 2 676.61	56 ↑	2.1%	R 2 620.69	*CBOT Wheat July cents / bushel 08:00 today vs. CBOT Wheat July 12:00 the previous								
Latest CBOT prices during overnight trading (Recorded between 6 a.m. to 07:00 am vs 12:00 pm the previous trading day)													
Corn Jul 15	414.75	2.50 ↑	0.6%	412.25 ↑	0.2%	414.00 ↑	13.6%	365.00 ↓	-3.6%	430.25			
Corn Sep 15	422.75	2.50 ↑	0.6%	420.25 ↓	0.2%	422.00 ↑	13.5%	372.50 ↓	-2.4%	433.25			
Soybean Jul 15	1033.75	0.75 ↑	0.1%	1033.00 ↓	-2.1%	1056.25 ↑	8.6%	951.50 ↓	-10.0%	1148.00			
Wheat Jul 15	587.75	11.50 ↑	2.0%	576.25 ↓	-4.4%	614.75 ↑	10.4%	532.25 ↓	-6.8%	630.75			
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT - nearest contract month (Rands / tonne)													
SORGHUM Jul 15	3050.00	0.00 ↑	0.0%	3050.00 ↑	0.3%	3040 ↑	14.2%	2670 ↑	22.0%	2500			
WMAZ Jul 15	3123.00	52.00 ↑	1.7%	3071.00 ↓	-0.8%	3148 ↑	8.5%	2879 ↑	61.1%	1939			
WMAZ Sep 15	3151.00	49.00 ↑	1.6%	3102.00 ↓	-1.3%	3193 ↑	7.9%	2920 ↑	77.0%	1780			
YMAZ Jul 15	2753.00	36.00 ↑	1.3%	2717.00 ↑	2.7%	2680 ↑	8.8%	2530 ↑	39.2%	1978			
YMAZ Sep 15	2764.00	32.00 ↑	1.2%	2732.00 ↑	2.1%	2708 ↑	7.5%	2571 ↑	48.4%	1862			
SOY Jul 15	4805.00	30.00 ↑	0.6%	4775.00 ↑	0.8%	4765 ↓	-1.5%	4876 ↓	-8.5%	5249			
SOY Sep 15	4890.00	35.00 ↑	0.7%	4855.00 ↑	0.8%	4850 ↓	-1.2%	4951 ↓	-8.2%	5325			
SUN Jul 15	5501.00	61.00 ↑	1.1%	5440.00 ↑	3.4%	5320 ↑	2.4%	5370 ↑	17.5%	4680			
SUN Sep 15	5600.00	70.00 ↑	1.3%	5530.00 ↑	3.3%	5420 ↑	2.7%	5455 ↑	17.0%	4788			
WHEAT Jul 15	3910.00	15.00 ↑	0.4%	3895.00 ↑	0.0%	3910 ↓	-0.4%	3925 ↑	1.3%	3858			
WHEAT Dec 15	3845.00	30.00 ↑	0.8%	3815.00 ↑	0.3%	3835 ↑	0.4%	3829 ↑	6.8%	3599			

LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS

External Market Factors: This morning, the Rand was trading around R12.39 to the US dollar, which is 0.1% weaker than the level seen at midday yesterday. A weaker Rand is supportive of domestic grain commodity prices. The price levels of CBOT since 12h00pm yesterday indicate a potential increase of R15 on maize parity prices, a potential increase of R10 on soybean import parity prices and a potential increase of R56 on wheat import parity prices.

Maize: Recapping from yesterday's trade session – at the start of the session, domestic maize prices were low and recovered towards the end of the session, on the back of increasing buying appetite. On the data front today, SAGIS weekly imports and exports data are due for release at midday. Currently, South Africa's total maize imports for the 2015/16 marketing year stand at 80 013 tons. About 0.2% of this total is white maize. All yellow maize import came from Argentina, while white maize came from Zambia.

Outlook - There are speculations in the market that Mexico might also supply South Africa with white maize this year. The quantity of these imports is not yet known, however, it is noteworthy to highlight that any significant amount of white maize imports might have an impact on the white maize price movement going forward. According to the Grain SA's Supply and Demand estimates, South Africa might import 50 000 tons of white maize in 2015/16 marketing year, whereas the NAMC's estimates stand at 100 000 tons of white maize imports.

International view – Chicago maize prices were up this morning, as the USDA crop conditions data came out at lower levels. As of 5 July 2015, US maize was rated at 69% good/excellent. This is was 6% lower than the previous year's rating. Nevertheless, recent weather forecasts show that the Midwest is starting to dry up, which is favourable for maize crop. If dry weather is realised, US maize crop ratings might improve into late July.

Wheat: International wheat prices were also up this morning, still getting support from reports of dryness in France and western Canada. In the Black Sea, Ukraine's harvest has been slowed by rains. Ukrainian farmers have only harvested 1 million tons of grain this year, compared to 3.2 million tons over the same period last year. In the US, winter wheat harvesting stands at 55% complete, compared to 38% the previous week and 55% the previous season, but still below a five-year average rate of 59%. The wheat conditions are 40% good/excellent, which is 1% lower than the previous week's rating, but 9% higher than the same period last year. The US spring wheat conditions are at 70% good/excellent, which is 2% lower than the previous week. The rating decreases are due to excessively wet weather conditions.

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Domestic Market Insights & Data: *SAGIS Weekly Export and Import Data: 07/07/2015*

International Market Insights & Data: *US Weekly Export Data: 09/07/2015*