

Grain SA's Morning Grain Market Commentary

DATE 2018/08/10	DATE 2018/08/09			+ - LAST WEEK 2018/07/30		AT THE MONEY PUT OPTION					
	Data	Δ	Δ%	Data	Δ%	Data	WM	YM			
DJIA-index	25509	-74.52	-0.3%	25584	0.2%	25451	DEC '18 FUTURES PRICE	R 2 321.00	R 2 384.00		
Goud (Spot)	1208.68	-4.92	-0.4%	1213.6	-0.9%	1220.21	CALL STRIKE PRICE	R 2 320.00	R 2 380.00		
Brent \$/vat	71.95	-0.53	-0.7%	72.48	-3.7%	74.74	CALL PREMIUM	R 138.86	R 132.33		
1 € / US\$	1.1460	-0.02	-1.3%	1.1610	-1.7%	1.1662	BREAKEVEN SAFEX PRICE	R 2 458.86	R 2 512.33		
1 US\$ / ZAR	13.72	0.340	2.5%	13.38	4.1%	13.18					
Corn	R 1 994.42	39	2.0%	R 1 955.53							
Wheat	R 2 845.78	43	1.6%	R 2 802.30							
Soybeans	R 4 475.36	81	1.9%	R 4 393.95							
Latest CBOT prices during overnight trading (Recorded between 6 a.m. to 07:00 am vs 12:00 pm the previous trading)						WEEK NR.	MAIZE EXPORTS				
Corn Sep 18	369.25	-2.00	-0.5%	371.25		14	WM	YM	TM		
Wheat Sep 18	564.50	-5.50	-1.0%	570.00			5 095	122 918	128 013		
Soybeans Sep 18	887.75	-6.00	-0.7%	893.75			109 321	857 617	966 938		
Latest MTM prices (SPOT = nearest contract month (Rand / ton))						Import parity	Export parity	EXPORTABLE			
Sorghum Mar '19	3600.00	0.00	0.0%	3600.00		3604.00	1790.00	1 550 000	2 455 000		
WMAZ Spot	2215.00	0.00	0.0%	2215.00		3604.00	1790.00	7%	35%		
WMAZ Sep 18	2246.00	0.00	0.0%	2246.00		3350.00	1890.00	37 913	42 036		
WMAZ Dec 18	2338.00	0.00	0.0%	2338.00		3420.00	1970.00		79 949		
YMAZ Spot	2272.00	0.00	0.0%	2272.00		3350.00	1790.00	MAIZE PRODUCER DELIVERIES			
YMAZ Sep 18	2304.00	0.00	0.0%	2304.00		3350.00	1890.00	WEEK TOTAL	540 612		
YMAZ Dec 18	2396.00	0.00	0.0%	2396.00		3420.00	1970.00	273 202	813 814		
SOY spot	4415.00	0.00	0.0%	4415.00		6100.00	4093.00	YTD TOTAL	3 591 049		
SOY Sep 18	4450.00	0.00	0.0%	4450.00		6405.00	4380.00	CEC FORECAST + ADJUSTMENT	6 379 660		
SUN Spot 18	4827.00	0.00	0.0%	4827.00		6104.00	4590.00	% OF HARVESTED DELIVEIRES	56%		
SUN Sep 18	4872.00	0.00	0.0%	4872.00		6405.00	4380.00	68%	62%		
WHEAT July 18	4197.00	0.00	0.0%	4197.00		4545.00	4225.00	PACE/WEEK NEEDED	92 954		
WHEAT Sep 18	4242.00	0.00	0.0%	4242.00		4720.00	4399.00		62 694		
WHEAT Dec 18	4297.00	0.00	0.0%	4297.00		4612.00	4290.00		155 648		
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS								WHEAT IMPORTS			
								2017/18	2016/17	5 Yr. AVG	
								WEEK TOTAL	21 699	30 722	24 703
								YTD TOTAL	1 730 283	630 109	1 199 879
								TOTAL NEEDED	1 950 000	934 765	1 622 999
								YTD AS % OF NEEDED	89%	67%	74%

Market overview: The rand is trading at R13, 67 against the dollar this morning. On Tuesday, the local currency piggybacked on the strengthening Chinese Yuan and gained 12 cents against the dollar. On Wednesday, the rand was steady during early trade as and things were quite while South Africa prepared for a public holiday yesterday (Women's day). During a conference in Johannesburg on Wednesday, the South African president expressed that Government will not allow land grabs and anarchy in the process of finding a solution for the land issue. Investors of South African Breweries (SAB) and AB InBev Africa investors, who have expressed that they would like to invest \$100 million over the next 5 years, attended the conference. The pound slipped to its lowest level against the euro on Wednesday due to growing concerns that the UK could leave the EU without any agreement for future economic ties. Crude oil is trading at \$ 72,02/barrel this morning.

Maize: US maize prices eased yesterday as traders squared their positions ahead of today's WASDE report. Analysts expect today's WASDE report to show ending stocks for 2017/18 to go down slightly from July's estimates of 51.499 million tons to 51.194 million tons. US maize export sales found 553 861 tons of old crop sales plus another 658 028 tons in new crop sales for a total of 1.2 million tons. Argentina is predicting a record-breaking maize crop for 2018/19 with a total production between 45 million and 46 million tons. Ukraine has reported the country's exports at 800 304 tons of maize in July and early August; total grain exports are down 13.5% compared to the same time last year. **Local:** Local maize prices opened the day higher on Wednesday. December white maize contracts traded to a low of R2304 before rising to a high of R2349 and the market closed around session highs.

Soybeans: The American soybean market had some pressure yesterday and traded lower for the day before the latest WASDE report will be announced later today. Although it is expected that the USDA would adjust the 2017/18 season's US soybean stocks lower, it is expected that the USDA will adjust the 2018/19 season's US ending stocks levels higher in today's report. The weekly export sales report announced yesterday, indicated that US soybean sales for the week were about 955,000 tons higher than the weekly trade expectations and also higher than last week's export sales. The weekly sales included both old and new season sales. Export shipping were also higher than the average needed to meet the annual USDA estimate. In other international news, Brazilian yield forecasts have improved slightly, so the country's average return is expected to be slightly better than expected. **Local:** The local market was closed on Wednesday due to a public holiday. The local soybean market found good support on Tuesday and traded more for the day in most of the contract months currently listed.

Wheat: The American wheat market closed lower yesterday with earnings gained in the market has lately increased sharply. The weekly USDA export sales announced yesterday were slightly lower than the weekly trade expectations and were also lower than last week's export sales. In the EU, production expectations are approximately 3.5% lower than the previous month's estimate and 10% lower than last season's production. **Local:** The local wheat market traded mixed on Tuesday with the near-month contracts that were slightly under pressure, while the further month contracts closed slightly stronger for the day. The price movements for the day were generally small.

Domestic Market Insights & Data: www.grainsa.co.za / www.sagis.co.za
International Market Insights & Data: www.usda.co.za

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