

### Grain SA's Morning Grain Market Commentary

GRAIN SA GRAAN SA	DATE 2017/08/11		DATE 2017/08/10		+ - LAST WEEK 2017/07/31		+ - LAST MONTH 2017/07/10		+ - LAST YEAR 2016/08/08					
	Data		Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%				
DJIA-index	21844	-204.69	↓	0.9%	22049	↑	0.1%	21830	↑	0.0%	21414	↑	1.9%	18529
Goud (Spot)	1286.12	7.41	↑	0.6%	1278.71	↑	0.4%	1268.09	↑	0.2%	1211.04	↓	5.6%	1333.92
Brent \$/vat	51.36	-1.12	↓	2.1%	52.48	↓	2.0%	52.39	↑	0.8%	46.78	↑	18.2%	44.98
1 € / US\$	1.1761	0.00	↑	0.4%	1.1715	↑	0.3%	1.1727	↑	0.1%	1.1406	↑	6.2%	1.1076
1 US\$ / ZAR	13.43	0.060	↑	0.4%	13.37	↑	0.3%	13.00	↑	0.7%	13.34	↓	1.3%	13.61
Corn	R 1 887.50	-153	↓	7.5%	R 2 040.82	↑	8.3%	13.00	↑	0.7%	13.34	↓	1.3%	13.61
Wheat	R 2 171.26	-74	↓	3.3%	R 2 245.07	↑	3.3%	13.00	↑	0.7%	13.34	↓	1.3%	13.61
Soybeans	R 4 589.25	-215	↓	4.5%	R 4 804.56	↑	4.8%	13.00	↑	0.7%	13.34	↓	1.3%	13.61
Latest CBOT prices during overnight trading (Recorded between 6 a.m. to 07:00 am vs 12:00 pm the previous trading day)														
Corn Sep 17	357.00	-29.00	↓	7.5%	386.00	↓	7.5%	374.00	↓	11%	402.00	↓	2%	365.25
Wheat Sep 17	440.00	-17.00	↓	3.7%	457.00	↓	9%	481.00	↓	20%	550.00	↓	11%	493.25
Soybeans Sep 17	930.00	-48.00	↓	4.9%	978.00	↓	7%	1000.00	↓	10%	1030.00	↓	2%	949.00
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)														
SORGHUM Dec '17	3170.00	0.00	↑	0.0%	3170.00	↑	0.0%	3170.00	↑	17.4%	2700.00	#VALUE!	NA	
WMAZ Spot	1881.00	18.00	↑	1.0%	1863.00	↑	3.6%	1815.00	↑	1.5%	1854.00	↓	5.7%	4059.00
WMAZ Sept 17	1913.00	14.00	↑	0.7%	1899.00	↑	5%	1848.00	↑	0.5%	1903.00	↓	5.0%	4073.00
WMAZ Dec 17	1995.00	18.00	↑	0.9%	1977.00	↑	3.9%	1921.00	↑	0.8%	1979.00	↓	5.2%	4084.00
YMAZ Spot	2000.00	25.00	↑	1.3%	1975.00	↑	1.2%	1919.00	↑	1.2%	1976.00	↓	5.5%	3100.00
YMAZ Sept 17	2031.00	21.00	↑	1.0%	2010.00	↑	3.6%	1961.00	↑	0.2%	2027.00	↓	5.2%	3136.00
YMAZ Dec 17	2113.00	24.00	↑	1.1%	2089.00	↑	3.9%	2033.00	↑	0.6%	2101.00	↓	5.6%	3181.00
SOY Spot	4713.00	15.00	↑	0.3%	4698.00	↓	3%	4725.00	↓	3.3%	4826.00	↓	2.2%	6470.00
SOY Sept 17	4771.00	47.00	↑	1.0%	4724.00	↑	0.2%	4760.00	↓	1.1%	4926.00	↓	5.5%	6490.00
SUN Spot	4749.00	33.00	↑	0.7%	4716.00	↑	0%	4654.00	↑	0.5%	4726.00	↓	1.4%	5751.00
SUN Sept 17	4796.00	25.00	↑	0.5%	4771.00	↑	4%	4730.00	↓	1.6%	4872.00	↓	1.7%	5828.00
WHEAT Spot	4535.00	20.00	↑	0.4%	4515.00	↑	1.2%	4480.00	↑	1.1%	4397.00	↑	9%	4166.00
WHEAT Dec 17	4117.00	39.00	↑	1.0%	4078.00	↑	3.2%	3990.00	↑	9%	3779.00	↓	1.9%	4197.00

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

**Market overview:** The rand weakened this morning, from yesterday midday reacting to uncertainty around today's reveal of South Africa's credit rating review by ratings agency, Moody's. In June, Moody's downgraded the nation one level to the lowest investment grade and kept the outlook at negative, citing weakening institutions, reduced growth prospects and political outlook. In some local economic data released this week, unemployment rate remained the same for Q2:2017 at 27.7%, while President Zuma defeated the vote of no confidence against him which sent the rand plummeting 1.8% on Tuesday. At the time of writing, the rand was trading at around R13.46 to the dollar. Oil prices are trading lower from yesterday's reported level but still holding above the psychological US\$50 level. Volatility in oil prices this week can be attributed to a report that showed US processed crude which ate away at inventories, but further gains are capped at the back of higher gasoline stockpiles. At the time of writing, Brent crude oil was trading at around US\$51.23 per barrel.

**Maize:** US maize prices posted losses in Thursday's trading session as selling dominated crop markets following a higher than expected USDA's supply and demand estimates report. US maize production for the 2017/18 marketing season is forecast at 359.5 million tons, down 7% from last year. If this production forecast is realised, this will be the third highest production on record for the US. US ending stocks are also lower than the previous forecast but higher than expected at 57.7 million tons, while export figures are down 17% from a year ago. The December contract settled below key moving averages and the lowest since September 2016. Maize harvest in Texas and Louisiana is above average, at 31% and 30% done, respectively. While the Midwest harvest is just 6 weeks away, weather still remains on focus as cool weather conditions can help aid crop development. **Local:** South Africa maize prices ended the day higher for the third straight session this week, supported by a weaker rand throughout. White and yellow maize December contract showed off good gains in active trade. Yellow maize spot also finished higher in significant gains, with white maize prices also inching higher to end well above the 20-day moving averages. In the weekly producer deliveries reported by SAGIS for the week ending 04 August 2017, white and yellow maize deliveries to local silos amounted to 300 359 and 167 685 tons, respectively.

**Soybeans:** US soybeans also came in under pressure, finishing more than 3% lower, with the November contract trading at its lowest in a year and well below key moving averages. The USDA supply and demand report was bearish for the soybean, raising US estimated 2017/18 production by 2% at 119.23 million tons, leaving acreage unchanged from June at a record 88.7 million acres but up 7% from a year ago. USDA also raised US ending stocks and export sales from a year ago. The South American production was left unchanged from July but lower from the previous year. Earlier this week, soybean crop conditions improved to 60% good/excellent, higher than a week ago. Mid-August rainfall is key for soybean development; however no abundant rain has been forecast throughout the area. **Local:** Domestic soybean prices ended the day off in good gains, despite lower international prices. Local maize prices were mainly supported by a weaker rand. Soybean spot showed off the least gains in very light trading, while the December contract ended the day in significant gains in active trade.

**Wheat:** Wheat markets closed lower, mainly pressured by lower maize and soybean. US spring wheat finished lower, breaking off its strong fourth straight session. USDA lowered all wheat production down 1% from July and 25% from a year ago at 47.33 million tons. Ending stocks were also revised by a slight margin, leaving exports unchanged from July but lower than a year ago at 26.54 million tons. In the ongoing spring wheat harvest, harvesters reported some decent spring wheat harvests in western North Dakota this week but most of the crop still remains below average. Recent showers have also slowed the harvest progress but drier weather is forecast for the week ahead. **Local:** South African wheat finished the day in positive territory, with the December contract showing off good gains. The gains in the December wheat can be mainly attributed to slowed wheat development in the Western Cape and a weaker rand. Some showers were expected towards the end of the week this week to bring some relief to dry conditions in the wheat production area. In the producer deliveries reported by SAGIS, a total of 649 tons of wheat was delivered to local silos for the week ending 4 August, bringing total deliveries for the 2016/17 season at 1.8 million tons.

Domestic Market Insights & Data: [www.grainsa.co.za](http://www.grainsa.co.za) / [www.sagis.co.za](http://www.sagis.co.za)  
International Market Insights & Data: [www.usda.co.za](http://www.usda.co.za)

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