

Grain SA's Morning Grain Market Commentary

DATE 2018/02/13	DATE 2018/02/12			+ - LAST WEEK 2018/02/05			AT THE MONEY PUT OPTION			
	Data	Δ	Δ%	Data	Δ%	Data		WM	YM	
DJIA-index	24601	410.37	1.7%	24191	2.5%	25521	JULY '18 FUTURES PRICE	R 1 934.00	R 2 002.00	
Goud (Spot)	1325.92	2.36	0.2%	1323.56	-0.3%	1330.32	PUT STRIKE PRICE	R 1 940.00	R 2 020.00	
Brent \$/vat	62.99	-0.40	-0.6%	63.39	-7.2%	67.87	PUT PREMIUM	R 121.86	R 130.17	
1 € / US\$	1.2317	0.01	0.4%	1.2262	-1.1%	1.2458	MINIMUM SAFEX PRICE	R 1 818.14	R 1 889.83	
1 US\$ / ZAR	11.93	-0.030	-0.3%	11.96	-0.3%	12.03				
Corn	R 1 723.65	9	0.5%	R 1 714.26			*CBOT Corn Mar cents / bushel 08:00 today vs. CBOT Corn Mar 12:00 the previous day			
Wheat	R 2 033.96	26	1.3%	R 2 008.31			* CBOT Wheat Mar cents / bushel 08:00 today vs. CBOT Wheat Mar 12:00 the previous day			
Soybeans	R 4 387.91	-7	-0.2%	R 4 394.55			* CBOT Soy Mar cents / bushel 08:00 today vs. CBOT Soy Mar 12:00 the previous day			
Latest CBOT prices during overnight trading (Recorded between 6 a.m. to 07:00 am vs 12:00 pm the previous trading)							WEEK NR.			
Corn Mar 18	367.00	2.00	0.5%	365.00			40			
Wheat Mar 18	464.00	7.00	1.5%	457.00			MAIZE EXPORTS			
Soybeans Jan 18	1001.00	1.00	0.1%	1000.00			WEEK TOTAL	6 481	45 112	51 593
Daily parity prices delivered in Randfontein							YTD TOTAL	575 105	1 316 994	1 892 099
Latest MTM prices (SPOT = nearest contract month (Rand / ton))							EXPORTABLE	2 500 000	1 850 000	4 350 000
SORGHUM Mar '18	2980.00	0.00	0.0%	2980.00			YTD AS % OF EXPORTABLE	23%	71%	43%
WMAZ Spot	1814.00	-13.00	-0.7%	1827.00			PACE/WEEK NEEDED	160 408	44 417	204 825
WMAZ Mar 18	1827.00	-12.00	-0.7%	1839.00			MAIZE PRODUCER DELIVERIES			
WMAZ Jul 18	1934.00	-14.00	-0.7%	1948.00			WEEK TOTAL	3 372	2 552	5 924
YMAZ Spot	1905.00	-10.00	-0.5%	1915.00			YTD TOTAL	9 590 676	6 466 323	16 056 999
YMAZ Mar 18	1962.00	28.00	1.4%	1934.00			CEC ESTIMATE + ADJUSTMENTS	9 642 750	6 451 250	16 094 000
YMAZ Jul 18	2002.00	-11.00	-0.5%	2013.00			% CROP DELIVERED	99%	100%	100%
SOY Spot	4536.00	59.00	1.3%	4477.00			PACE/WEEK NEEDED	4 340	-1 256	3 083
SOY May 18	4665.00	69.00	1.5%	4596.00			WHEAT IMPORTS			
SUN Spot	4730.00	65.00	1.4%	4665.00				2017/18	2016/17	5 Yr. AVG
SUN May 18	4770.00	42.00	0.9%	4728.00			WEEK TOTAL	58 598	49 420	32 487
WHEAT Spot	3635.00	5.00	0.1%	3630.00			YTD TOTAL	760 916	186 858	535 365
WHEAT Mar 18	3653.00	1.00	0.0%	3652.00			TOTAL NEEDED	2 000 000	930 728	1 622 999
WHEAT Jul 18	3770.00	4.00	0.1%	3766.00			YTD AS % OF NEEDED	38%	20.1%	33%

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

Market Overview: This morning, the rand trades in continued support levels following talks of another motion of no confidence against the current President, Jacob Zuma. The ANC is geared to recall the President which has sent positive sentiment particularly towards the local currency. The rand does however continue to remain slightly volatile as these political talks drag on but remained in tight rand as yesterday midday. At the time of writing, the rand was trading at around R11.94 to the dollar. Brent crude oil prices are trading relatively lower, with prices collapsing daily amid increased US shale production and a stronger dollar. Continued lower oil prices and a stronger rand could lead to bigger declines in local fuel prices. At the time of writing, Brent crude oil was trading at around US\$62.99 per barrel.

Maize: US maize prices finished the day higher, clawing back some of the losses sustained on Friday. US maize prices found support from following the strength of the soybean and wheat prices which gained at the back of positive export data released by the USDA. The US maize weekly export sales were however not as high as anticipated. Export sales came up to 835 704 tons, which was slightly behind 1.1 million tons of a week ago. The export sales also matched up to the lower end of trade estimates. Japan was the leading top destination for US exports, followed by Mexico. In a tender released by South Korea, 119 386 tons of US maize was purchased on Monday, with delivery due between April and May 2018. **Local:** As had expected, the local maize prices came under pressure, with both white and yellow maize finishing the day flat. Yellow maize later contract months were the exception, as prices managed to pull some modest gains, while earlier months finished in the negative territory. The slightly stronger rand at midday limited gains. White and yellow spot contract months showed off modest losses, ending the day lower by 0.71% and 0.52% at R1 814 and R1 905, respectively.

Soybeans: Soybean prices began the week on a good note, posting double-digit gains for both key contract months. US soybean prices found a number of support, such as the continued dryness in Argentina which is likely to receive much less precipitation than normal as well as damaged soybean harvest in Brazil caused by too much rain. On the weekly soybean export sales, inspections amounted to 1.306 million tons, which far exceeded trade estimates. Sales were also slight ahead of last week's 1.303 million tons. China of course captured the majority of the weekly soybean exports, importing a total of 789 245 tons. On Monday, USDA announced a cancellation of 454 496 tons of soybean export to China, however this amount was partially offset by a second notice of 312 976 tons for delivery to an unknown destination. Overall, US soybean export sales are currently soaring, backed by healthy soybean demand particularly from China. **Local:** On the domestic front, soybean prices also posted significant gains for all contract months. Local soybean prices followed the trend seen in international prices, and closed in good gains for its key contract months. Soybean spot finished higher by 1.32% at R4 536. Sunflower prices also finished higher in good gains, with its spot ending the day higher by 1.39% at R4 730 per ton.

Wheat: US wheat prices ended the day significantly higher, led by the winter wheat which posted double digit gains for both the soft and hard red winter wheat. Spring wheat also posted good gains for both key contract months. Wheat prices are faced with drought in the Plains which has recently supported prices. Recent forecasts indicate a possibility of warmer weather which could reduce snow cover in key production areas. On the weekly wheat export sales, inspections came up to 487 154 tons, which was well ahead of last week's 430 002 tons. The leading destination for US wheat was Japan, importing 100 697 tons. **Local:** South African wheat prices were mixed, but mostly higher. Gains posted in the local wheat market were modest and this can be attributed to a stronger rand that capped further gains. Prices managed to close in the positive territory mainly at the back of higher international prices.

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

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