

Grain SA's Morning Grain Market Commentary

DATE 2018/08/14	DATE 2018/08/13		+ - LAST WEEK 2018/08/06		AT THE MONEY PUT OPTION				
	Δ	Δ%	Δ	Δ%	DEC '18 FUTURES PRICE	WM	YM		
DJIA-index	25188	-125.21 ↓	-0.5%	25313	-0.9%	25427	R 2 396.00	R 2 462.00	
Goud (Spot)	1193.82	-14.93 ↓	-1.2%	1208.75	-1.8%	1215.41	R 2 400.00	R 2 460.00	
Brent \$/vat	72.81	-0.15 ↓	-0.2%	72.96	-1.0%	73.51	R 140.86	R 131.92	
1 € / US\$	1.1414	0.00 ↑	0.3%	1.1383	-1.2%	1.1553	BREAKEVEN SAFEX PRICE		R 2 540.86 R 2 591.92
1 US\$ / ZAR	14.31	-0.140 ↓	-1.0%	14.45	7.4%	13.33			
Corn	R 2 007.80	-3 ↓	-0.2%	R 2 010.94	*CBOT Corn Sep cents / bushel 08:00 today vs. CBOT Sep 12:00 the previous day				
Wheat	R 2 809.89	-45 ↓	-1.6%	R 2 855.17	*CBOT Wheat Sep cents / bushel 08:00 today vs. CBOT Wheat Sep 12:00 the previous day				
Soybeans	R 4 509.28	-4 ↓	-0.1%	R 4 513.05	*CBOT Soy Sep cents / bushel 08:00 today vs. CBOT Soy Sep 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 Sep 18	356.40	2.90 ↑	0.8%	353.50	Daily parity prices delivered in				
Wheat Sep 18	534.40	-3.35 ↓	-0.6%	537.75	Randfontein. WEAT BDN				
Soybeans Sep 18	857.60	7.60 ↑	0.9%	850.00	import par not export par				
Latest MTM prices (SPOT = nearest contract month (Rand / ton))					Import parity Export parity				
SORGHUM Mar '19	3600.00	0.00 ↑	0.0%	3600.00			WEEK TOTAL		
WMAZ Spot	2274.00	-7.00 ↓	-0.3%	2281.00	3604.00	1790.00	5 095	122 918	128 013
WMAZ Sep 18	2296.00	-16.00 ↓	-0.7%	2312.00	3350.00	1890.00	109 321	857 617	966 938
WMAZ Dec 18	2396.00	-14.00 ↓	-0.6%	2410.00	3420.00	1970.00	1 550 000	2 455 000	4 005 000
YMAZ Spot	2335.00	2.00 ↑	0.1%	2333.00	3350.00	1790.00	YTD AS % OF EXPORTABLE		
YMAZ Sep 18	2365.00	3.00 ↑	0.1%	2362.00	3350.00	1890.00	7%	35%	24%
YMAZ Dec 18	2462.00	0.00 ↑	0.0%	2462.00	3420.00	1970.00	PACE/WEEK NEEDED		
SOY spot	4460.00	0.00 ↑	0.0%	4460.00	6100.00	4093.00	38 937	43 173	82 110
SOY Sep 18	4493.00	-12.00 ↓	-0.3%	4505.00	6405.00	4380.00	WEEK TOTAL		
SUN Spot 18	4896.00	59.00 ↑	1.2%	4837.00	6104.00	4590.00	540 612	273 202	813 814
SUN Sep 18	4936.00	48.00 ↑	1.0%	4888.00	6405.00	4380.00	YTD TOTAL		
WHEAT July 18	4262.00	62.00 ↑	1.5%	4200.00	4545.00	4225.00	3 591 049	3 916 321	7 507 370
WHEAT Sep 18	4304.00	43.00 ↑	1.0%	4261.00	4720.00	4399.00	CEC FORECAST + ADJUSTMENT		
WHEAT Dec 18	4394.00	42.00 ↑	1.0%	4352.00	4612.00	4290.00	6 379 660	5 797 150	12 176 810
					TOTAL NEEDED				
					YTD AS % OF NEEDED				
					89% 67% 74%				

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

Market overview: The rand is trading at R14.31/\$ this morning. Traders are positioning themselves for more chaos as the Turkish Lira continues to take a dip. The rand and other emerging market currencies have fallen victim to the spill over after the Turkish lira sold off to record lows, with Turkey's president showing no signs of backing down against the standoff with the US administration. The South African Reserve Bank (SARB) is keeping a close eye on the rand and they mentioned in an interview by the deputy governor that they will look at the second round effect of the rand's depreciation and therefore will not make any hasty decisions due to initial price pressures. The SARB has managed to keep inflation within 3%-6% target band for over a year and the repo rate at 6.5%. Crude oil is trading at \$72,81/barrel this morning. This week will be an busy week in the economic environment as this week's data will give an good overview of the economic strength of the second quarter of 2018 and whether the economy will go into a technical recession. The latest figures on the mining sector will be released later today, while the manufacturing figures will be released tomorrow. Both these sectors plays a key role in the local GDP.

Maize: The US maize prices remain under pressure after last week's bearish WASDE report and the favourable US yield expectations. The weekly US export inspections report indicated that the weekly exports were 1.26 million tons which was just below the previous week's exports, but good in line with the weekly trade estimates. The USDA crop conditions report revealed the maize crop to be 70% good to excellent, down 1% from last week. EU'S maize imports for 2018/19 have reached 1.4 million tons as of August 12. **Local:** Local maize prices opened the day higher with the weaker rand and some follow through buying supporting the market. December white maize opened the day at R2426 and traded to a new high of R2439, the market came under pressure, traded to a low of R2389, and closed around session lows.

Soybeans: The US soybean market again found some support after Friday's losses that were seen in the market. The support in the market can be largely attributed to better soybean processing as well as export figures announced yesterday. In yesterday's weekly export inspections report announced by the USDA, weekly exports were reported at 580 000 tons. It was lower than last week's exports and closer to the lower end of weekly trade expectations. Iran was the largest importer of American soybeans for the week. In yesterday's weekly production conditions report announced by the USDA, production conditions are 66% good to excellent, which is 1% weaker than last week's forecast. The physiological progress of production is good and the amount of soybeans that already form pods is 84% against the 5 year average rate of 72% at this time of the season. There are concerns that some parts of the American production areas can experience drier conditions which are not favorable as it is a critical weather period for American soybeans. Private exporters reported 141 000 tons of export sales to the USDA yesterday for delivery during the 2018/19 season. In other international news, the European Union's soybean imports for the 2018/19 season to date are 9% lower than last year's imports while soybean oilcake is about 19% lower compared to last season's figures. **Local:** The local soybean market closed slightly lower yesterday in most of the contract months currently listed, although the price movements in the market for the day were not high.

Wheat: The American wheat market came under pressure yesterday and closed lower for the day after the downward adjustment in world wheat stock, reported in Friday's WASDE report, was smaller than the general expectation in the market. All three American wheat markets, which include both the winter wheat markets and the spring wheat market, traded lower for the day. The weekly export inspections report announced by the USDA yesterday showed that weekly exports were about 460 000 tons. It was higher than last week's exports and more than the general trade expectations. Mexico was the biggest buyer of American wheat for the week. In yesterday's weekly production progress report, it was announced that the winter wheat harvesting process was reported at 94% completed compared with the 5-year average of 96% completed at this time of the season. The harvesting process of the spring wheat has been completed at 35%, which is more than the 5-year average of 27%. The production conditions are estimated at 75% good to excellent, which is 1% better than last season's forecast at the same time of year. **Wheat:** The local wheat market found good support yesterday and traded higher for the day in most of the contract months currently listed. In last week's weekly import and export report, weekly wheat imports were reported at 64 042 tons. It included imports from the USA and Canada, which represent higher quality wheat.

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

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