


Grain SA's Morning Grain Market Commentary

	DATE 2017/12/11	DATE 2017/12/07		DATE 2017/12/04		AT THE MONEY PUT OPTION			
	Data	Δ	Δ%	Data	Δ%		WM	YM	
DJIA-index	24585	76.63	0.3%	24509	1.2%	JULY '18 FUTURES PRICE	R 2 026.00	R 2 099.00	
Goud (Spot)	1257.85	14.19	1.1%	1243.66	-1.4%	PUT STRIKE PRICE	R 2 020.00	R 2 100.00	
Brent \$/vat	62.77	-1.02	-1.6%	63.79	0.2%	PUT PREMIUM	R 182.93	R 179.83	
1 € / US\$	1.1822	0.01	0.5%	1.1758	-0.4%	MINIMUM SAFEX PRICE	R 1 837.07	R 1 920.17	
1 US\$ / ZAR	13.45	-0.190	-1.4%	13.64	-0.3%				
Corn	R 1 779.11	5	0.3%	R 1 773.82		* CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Corn Dec 12:00 the previous day			
Wheat	R 1 937.28	-2	-0.1%	R 1 939.58		* CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day			
Soybeans	R 4 838.25	-48	-1.0%	R 4 886.55		* CBOT Soy Jan cents / bushel 08:00 today vs. CBOT Soy Jan 12:00 the previous day			
Latest CBOT prices during overnight trading						MAIZE EXPORTS			
Corn Dec 17	336.00	1.00	0.3%	335.00	-2%	WEEK NR.	31	WM	YM
Wheat Dec 17	392.00	5.00	1.3%	387.00	-5%				TM
Soybeans Jan 18	979.00	4.00	0.4%	975.00	-2%	WEEK TOTAL	5 679	42 922	48 601
Latest MTM prices (SPOT = nearest contract month (Rand / ton))						YTD TOTAL	540 097	1 160 427	1 700 524
SORGHUM Mar '18	2850.00	0.00	0.0%	2850.00	8.8%	EXPORTABLE	2 500 000	1 850 000	4 350 000
WMAZ Spot	1869.00	7.00	0.4%	1862.00	-0.8%	YTD AS % OF EXPORTABLE	22%	63%	39%
WMAZ Mar 18	1918.00	6.00	0.3%	1912.00	-1.2%	PACE/WEEK NEEDED	93 329	32 837	126 166
WMAZ Jul 18	2026.00	6.00	0.3%	2020.00	-0.9%	MAIZE PRODUCER DELIVERIES			
YMAZ Spot	1972.00	16.00	0.8%	1956.00	-1.3%	WEEK TOTAL	6 442	4 339	10 781
YMAZ Mar 18	2026.00	18.00	0.9%	2008.00	-1.3%	YTD TOTAL	9 519 053	6 404 430	15 923 483
YMAZ Jul 18	2099.00	14.00	0.7%	2085.00	-1.7%	CEC ESTIMATE + ADJUSTMENTS	9 642 750	6 451 250	16 094 000
SOY Spot	4904.00	4.00	0.1%	4900.00	0.2%	% CROP DELIVERED	99%	99%	99%
SOY Mar 18	5065.00	8.00	0.2%	5057.00	-0.6%	PACE/WEEK NEEDED	5 890	2 230	8 120
SUN Spot	4548.00	83.00	1.9%	4465.00	3.3%	WHEAT IMPORTS			
SUN Mar 18	4624.00	66.00	1.4%	4558.00	1.9%	2017/18	1 724	2016/17	5 Yr. AVG
WHEAT Spot	3951.00	-15.00	-0.4%	3966.00	-2.8%	WEEK TOTAL	1 724	-	23 489
WHEAT Mar 18	4071.00	-12.00	-0.3%	4083.00	-2.6%	YTD TOTAL	577 580	79 213	359 265
WHEAT May 18	4127.00	-11.00	-0.3%	4138.00	-3.5%	TOTAL NEEDED	2 000 000	930 728	1 568 763
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS						YTD AS % OF NEEDED	29%	8.5%	23%

Market overview: The rand is trading at R13.45/\$ this morning and found some good support from yesterday with market closing when it traded at R13.64/\$. The rand found some good support yesterday afternoon after the positive outcomes of the court case that ruled that the president has to adhere to the state capture report that was done by the previous public protector Thuli Madonsela. The court ruled that the president has to appoint a committee to investigate the state capture in within the next 30 days. Other economic data that were released yesterday also came out favourable. The November inflation rate decreased to 4.6% year on year from the 4.8% that was reported in October. The retail sales figures that were reported yesterday was also favourable as the retail sales posted growth of 3.2% in October. Although this was lower as what was expected by analysts and also lower than the growth that was reported in September it is still a favourable for the economic growth prospects for quarter 4.

Maize: The US maize prices posted some small gains yesterday after some bargain buying and short coverings were seen in the market. Both the December 17 and March 18 contracts closed slightly higher for the day. The ethanol production was around 20 000 barrels per day lower last week but the total output was still fairly high as the ethanol production reached news high's lately. The ethanol demand also remained high amid the high production and the ethanol inventories decreased sharply. There are however still many analysts that are of meaning that the forecasted usage of maize for biofuel production is still too low for the season. **Local:** The local maize market were mostly flat yesterday and no large price movements were seen in the markets. The white maize market posted some small gains in the nearby months, while it closed mostly unchanged in the further months. The yellow maize prices also posted some gains yesterday. The producer deliveries that were reported yesterday by SAGIS was 6 442 ton of white maize and 4339 ton of yellow maize. The total deliveries for the season this far is 16 094 000 ton

Soybeans: The US soybean prices also found some support yesterday as there were some technical buying the market and the January and March futures closed higher for the day. There weather conditions in Argentina is still one of the factors that is watched closely by the traders and the weather there bring mixed emotions to the market. The weather conditions in the next few weeks will be an key factor that will be watched by the market as this will have an bog contribution to the crop conditions. The market there is likely to remain volatile until there are more certainty on the possible damages on the crop. According to the latest WASDE report the production forecast in Argentina and Brazil were left unchanged from the previous estimate. **Local:** The local soybean market closed slightly higher to mostly unchanged yesterday with no large price movements that were seen in the market yesterday. The sunflower seed market found some good support yesterday and closed sharply higher for the day.

Wheat: The US wheat market reversed a seven-day downwards trend yesterday as there were some short coverings that were seen in the market yesterday. All three of the wheat markets in the US closed higher yesterday with the soft red winter market that posted small gains, while the hard red winter and spring wheat markets showed more steep gains for the day. The expectations in the market for the weekly export sales report is that the exports are likely to be more or less in line with last week's exports. In France the wheat crop conditions were revised slightly downwards from the previous week's ratings but the crop conditions is still well above the 80% in a good to excellent state. France has also revised their exports estimates for the season lower due to the increased global competition in the wheat markets. **Local:** The local wheat market closed lower yesterday in all of the contract months which is listed currently. The weekly producer deliveries was reported on 139 359 ton for the week and the total deliveries for the season this far is reported on 907 855 ton which is around 57% of the crop estimates.

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

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