

Grain SA's Morning Grain Market Commentary

DATE 2017/12/15	DATE 2017/12/14		+ - LAST WEEK 2017/12/08		AT THE MONEY PUT OPTION		
	Δ	Δ%	Δ	Δ%	WM	YM	
DJIA-index	24509	-76.77 ↓	-0.3%	24585	↑	1.2%	24211
Goud (Spot)	1254.41	-3.44 ↓	-0.3%	1257.85	↑	0.5%	1248.59
Brent \$/vat	62.62	-0.15 ↓	-0.2%	62.77	↑	0.9%	62.06
1 € / US\$	1.1781	0.00 ↓	-0.3%	1.1822	↑	0.2%	1.1756
1 US\$ / ZAR	13.48	0.00 ↑	0.0%	13.48	↓	-1.8%	13.73
Corn	R 1 783.08	0	0.0%	R 1 783.08			
Wheat	R 1 941.60	0	0.0%	R 1 941.60			
Soybeans	R 4 849.04	0	0.0%	R 4 849.04			
* CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Corn Dec 12:00 the previous day							
* CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day							
* CBOT Soy Jan cents / bushel 08:00 today vs. CBOT Soy Jan 12:00 the previous day							
Latest CBOT prices during overnight trading				WEEK NR.		MAIZE EXPORTS	
Corn Dec 17	336.00	0.00 ↑	0.0%	336.00	↓	-1%	339.00
Wheat Dec 17	392.00	0.00 ↑	0.0%	392.00	↓	-2%	398.00
Soybeans Jan 18	979.00	0.00 ↑	0.0%	979.00	↓	-2%	1002.00
Latest MTM prices (SPOT = nearest contract month (Rand / ton))				WEEK TOTAL		YTD TOTAL	
SORGHUM Mar '18	2850.00	0.00 ↑	0.0%	2850.00	↑	0.0%	2850.00
WMAZ Spot	1877.00	8.00 ↑	0.4%	1869.00	↓	-0.5%	1886.00
WMAZ Mar 18	1908.00	-10.00 ↓	-0.5%	1918.00	↓	-1.6%	1939.00
WMAZ Jul 18	2009.00	-17.00 ↓	-0.8%	2026.00	↓	-1.2%	2034.00
YMAZ Spot	1960.00	-12.00 ↓	-0.6%	1972.00	↓	-1.7%	1993.00
YMAZ Mar 18	2010.00	-16.00 ↓	-0.8%	2026.00	↓	-1.5%	2041.00
YMAZ Jul 18	2081.00	-18.00 ↓	-0.9%	2099.00	↓	-1.6%	2114.00
SOY Spot	4895.00	-9.00 ↓	-0.2%	4904.00	↓	-1.5%	4970.00
SOY Mar 18	5004.00	-61.00 ↓	-1.2%	5065.00	↓	-2.0%	5106.00
SUN Spot	4525.00	-23.00 ↓	-0.5%	4548.00	↓	-0.2%	4535.00
SUN Mar 18	4602.00	-22.00 ↓	-0.5%	4624.00	↓	-0.9%	4646.00
WHEAT Spot	3964.00	13.00 ↑	0.3%	3951.00	↓	-1.1%	4008.00
WHEAT Mar 18	4087.00	16.00 ↑	0.4%	4071.00	↓	-0.7%	4114.00
WHEAT May 18	4147.00	20.00 ↑	0.5%	4127.00	↓	-2.0%	4170.00
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS							

Market overview: The rand is trading at R13.48/\$ this morning, unchanged from the levels that were seen yesterday with market closing. The rand found support due to various factors from the weaker dollar up to the local political climate which tends to be a bit more stable as what was expected on the forehand of the ANC leadership election congress that takes place over the weekend. Rand traders did however indicate that they are very wary of what the outcome of this weekend's congress would bring to the value of the local currency. The outcomes of the election would have a significant impact on the value of the rand and the rand could react sharply in either weaker or stronger depending on who will be selected as the new president of the ANC. Other positive economic data that was released yesterday was the SARB's quarterly bulletin and the current account was one of the main factors to watch in this bulletin. The current account deficit narrowed in the 3rd quarter of 2017 to 2.3% of the GDP from the 2.4% of GDP that was recorded in the second quarter of 2017. The current account deficit in the 3rd quarter of 2016 was recorded on 3.8% of GDP which is a good indicator of the much better performance in this regard during 2017.

Maize: The US maize prices traded mostly flat yesterday but closed slightly lower for the day in both the December 17 and March '18 contracts. The market lost some ground as the weekly export sales were lower than the weekly trade estimates and lower than the levels that was reported a week ago. The weekly export shipments was however fairly good and slightly higher than the levels that were reported a week ago. In the European Union the maize imports are on the rise and the year to date total maize imports to the European Union are reported to be almost 50% higher than the levels that were seen the same time of the season last year. Taiwan has purchased maize on an international tender for shipment in February and this could probably be sourced from South Africa. **Local:** The local maize market traded mostly lower yesterday and most of the contract months which is listed currently of white and yellow maize traded lower for the day.

Soybeans: The US soybean prices posted double digit losses yesterday due to the unimpressive export sales for the week and the forecast of rain reported in Argentina. Both the January and March futures closed lower yesterday. The soybean export sales for the week was below the average trade estimates and well below the volumes that were reported last week. The soybean crushing in the US for November reached a monthly record and the processing of soybeans overall is fairly high. NOPA also reported the volume of soybeans that was crushed in October was the 5th highest monthly crushing of soybeans on record. **Local:** The local soybean market were mostly under pressure yesterday trading lower for the day in most of the contract months which is listed currently.

Wheat: The US wheat prices posted some good gains yesterday after the weekly export sales was reported and was positive for the day. The weekly export sales that were reported was well above the average trade estimates in the market and also well above the volumes that were reported last week. This was a positive sign to the market and gave some support to the prices. The US wheat market were mostly under pressure recently trading at this fairly low levels more in a sideways direction. The weekly wheat export shipments were however lower than last week's export shipment and lower than the 4 week average pace. The competition in the international wheat markets remain strong and the wheat exports from the EU for the season to date is around 25% lower than the same time of the season last year. **Local:** The local wheat market found some support yesterday and ended the day slightly higher yesterday in all of the contract months which is listed currently. The latest wheat import tariff that was triggered early October was published in the Government Gazette yesterday and the wheat import tariff are now set on R716.30/ton from the R910/ton.

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

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