

### Grain SA's Morning Grain Market Commentary

DATE 2018/04/16	DATE 2018/04/13		+ - LAST WEEK 2018/04/09		AT THE MONEY PUT OPTION				
	Δ	Δ%	Δ	Δ%	WM	YM			
DJIA-index	24483	-0.05	0.0%	24483	0.9%	24264	JULY '18 FUTURES PRICE R 2 014.00 R 2 127.00		
Goud (Spot)	1346.3	5.79	0.4%	1340.51	1.4%	1328.26	PUT STRIKE PRICE R 2 020.00 R 2 140.00		
Brent \$/vat	71.85	-0.30	-0.4%	72.15	5.1%	68.35	PUT PREMIUM R 74.08 R 80.85		
1 € / US\$	1.2331	0.00	0.1%	1.2324	0.5%	1.2271	MINIMUM SAFEX PRICE R 1 945.92 R 2 059.15		
1 US\$ / ZAR	12.07	0.030	0.2%	12.04	0.7%	11.99			
Corn	R 1 835.35	-4	-0.2%	R 1 839.08	*CBOT Corn Mei cents / bushel 08:00 today vs. CBOT May 12:00 the previous day				
Wheat	R 2 095.52	-1	-0.1%	R 2 096.95	*CBOT Wheat Mei cents / bushel 08:00 today vs. CBOT Wheat May 12:00 the previous day				
Soybeans	R 4 675.56	-36	-0.8%	R 4 711.50	*CBOT Soy Mei cents / bushel 08:00 today vs. CBOT Soy May 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. 49				
Daily parity prices delivered in Randfontein					MAIZE EXPORTS				
Corn May 18	386.25	-1.75	-0.5%	388.00	WEEK TOTAL 53 912 2 682 56 594				
Wheat May 18	472.50	-1.50	-0.3%	474.00	YTD TOTAL 734 349 1 410 574 2 144 923				
Soybeans May 18	1054.25	-10.75	-1.0%	1065.00	EXPORTABLE 2 500 000 1 850 000 4 350 000				
Latest MTM prices (SPOT = nearest contract month (Rand / ton))					YTD AS % OF EXPORTABLE 29% 76% 49%				
SORGHUM Mar '18	3130.00	0.00	0.0%	3130.00	PACE/WEEK NEEDED 588 550 146 475 735 026				
WMAZ Spot	1964.00	10.00	0.5%	1954.00	MAIZE PRODUCER DELIVERIES				
WMAZ May 18	1983.00	7.00	0.4%	1976.00	WEEK TOTAL				
WMAZ Jul 18	2033.00	10.00	0.5%	2023.00	YTD TOTAL				
YMAZ Spot	2070.00	11.00	0.5%	2059.00	CEC ESTIMATE + ADJUSTMENTS				
YMAZ May 18	2094.00	10.00	0.5%	2084.00	% CROP DELIVERED				
YMAZ Jul 18	2127.00	10.00	0.5%	2117.00	PACE/WEEK NEEDED - - -				
SOY Spot	4704.00	43.00	0.9%	4661.00	WHEAT IMPORTS				
SOY May 18	4730.00	38.00	0.8%	4692.00	WEEK TOTAL 2017/18 2016/17 5 Yr. AVG				
SUN Spot	4627.00	30.00	0.7%	4597.00	YTD TOTAL 1 170 588 387 007 824 388				
SUN May 18	4620.00	13.00	0.3%	4607.00	TOTAL NEEDED 2 000 000 930 728 1 622 999				
WHEAT Spot	3862.00	-28.00	-0.7%	3890.00	YTD AS % OF NEEDED 59% 41.6% 51%				
WHEAT May 18	3875.00	-31.00	-0.8%	3906.00					
WHEAT Jul 18	3886.00	-30.00	-0.8%	3916.00					

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

**Market Overview:** The rand has found itself trading relatively weaker than Friday midday, but with little volatility. Last week's movements in the local currency was mainly as a result of international economic events, particularly the stocking issue of trade talks between the US and China. The recent trade battle between the two large economies raised concerns, with the agricultural industries also bearing the brunt in the international front. There was little to no significant local economic data last week, which left the rand trading in tight range. However, this week Statistics SA is due to release March's CPI figures on Wednesday as well as retail sales figures which are likely to create some volatility in the rand. At the time of writing, the rand was trading at around R12.07 to the dollar. Brent crude oil prices are trading well above the US\$70 mark; while oil prices are high and the local currency is trading at weaker levels, it is wide expected that there could be another fuel price increase in May. At the time of writing, Brent crude oil prices were trading at around US\$70.85 per barrel.

**Maize:** US maize prices ended the day lower, losing a grip on some of the small gains obtained in the previous trade (on Thursday). Lower maize prices seen on Friday were mainly due to a spillover effect from the soybean and wheat prices which ended the day marginally lower. The maize market also relies on export data for supportive prices, however, export sales were disappointing the past two weeks, with sales for the week ending 5 April 2018, amounting to 840 000 tons, which was below trade expectations that ranged between 900 000 and 1.4 million tons. Markets are hungry for larger sales; meanwhile the last day that private exporters reported such a sale for maize was April 6<sup>th</sup>. On focus currently in the maize market is maize acreage, as wet forecasts in the Midwest could lead to a delay in the early plantings for maize. **Local:** South African maize prices ended the day higher, with both white and yellow maize posting gains for all contract months. A weaker rand gave support to local maize prices, as it was trading weaker when markets closed. White and yellow spot both ended the day higher by 0.5% at R1 964 and R2 070, respectively.

**Soybean:** US soybean prices ended the day lower at the back of technical trade, which left prices a little unchanged from Thursday's weakness. Over the past few months, US soybean prices gained strength from positive export data; but recent export sales have also come in disappointingly lower. For the week ending 5 April, soybean export sales recovered, coming in at 1.511 million tons which was ahead of trade expectations which ranged between 0.9 and 1.4 million tons. This was also higher than the previous week's sales of 1.1 million tons. Elsewhere the lower soybean production in Argentina is expected to keep a floor under the oilseed market, with prospects in Paraguay also indicating lower production in that region. **Local:** South African ended the day significantly higher, posting good gains at the back of a weaker rand. Sunflower prices also found some support, finishing the day in the positive territory with more modest gains. Soybean spot ended the day higher by 0.9% at R4 704 per ton.

**Wheat:** The US wheat prices came in under pressure, closing the day lower for both winter and spring wheat. Hard red winter wheat posted double digit losses, while spring wheat lost some of the gains obtained on Thursday. The wheat markets fell to their lowest since April 6<sup>th</sup>, dipping amid improved weather conditions in the US. The 10-day forecast shows rain across the key US winter crop area which erases fears about yield loss following a severe drought. The international wheat market fundamentals are likely to place long term pressure on prices as lack of demand and higher global stocks are adding pressure on prices. In the latest weekly export sales, wheat sales volumes amounted to 121 000 tons, which was slightly higher than trade expectations and a little higher than the week prior which only reported sales amounting to 109 000 tons. **Local:** South African wheat prices ended the day lower, coming under pressure at the back of significantly lower international prices. The weaker rand was not enough to lift prices higher. Wheat spot finished the day lower by 0.7% at R3 862 per ton.

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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