

Grain SA's Morning Grain Market Commentary

Grain SA GRAIN SA	DATE	DATE				+ - LAST WEEK		+ - LAST MONTH		+ - LAST YEAR	
	2017/01/17	2017/01/16		2016/01/09		2016/12/19		2016/01/18			
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data	
DJIA-index	19886	0.00	0.0%	19886	-0.4%	19964	0.2%	19843	24.4%	15988	
Goud (Spot)	1026.13	-177.01	-14.7%	1203.14	-12.7%	1174.90	-9.9%	1139.05	-5.7%	1088.11	
Brent \$/vat	55.73	0.08	0.1%	55.65	-2.0%	56.88	0.3%	55.59	92.2%	29.00	
1 € / US\$	1.0638	0.005	0.5%	1.0589	1.1%	1.0525	1.7%	1.0458	-2.2%	1.0878	
1 US\$ / ZAR	13.61	-0.030	-0.2%	13.64	-1.1%	13.76	-2.9%	14.02	-19.0%	16.80	
Corn	R 1,918.15	0	0.0%	R 1,918.15	* CBOT Corn Mar cents / bushel 08:00 today vs. CBOT Corn Mar 12:00 the previous day						
Wheat	R 2,130.35	-5	-0.2%	R 2,135.04	* CBOT Wheat Mar cents / bushel 08:00 today vs. CBOT Wheat Mar 12:00 the previous day						
Soybeans	R 5,210.85	-11	-0.2%	R 5,222.34	* CBOT Soy Jan cents / bushel 08:00 today vs. CBOT Soy Jan 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 day)											
Corn Dec 16	358.00	0.00	0.0%	358.00	0%	358.00	1%	356.00	-10%	398.50	
Wheat Dec 16	426.00	0.00	0.0%	426.00	1%	423.00	4%	409.00	-22%	543.75	
Soybeans Jan 17	1042.00	0.00	0.0%	1042.00	6%	986.00	1%	1036.00	17%	889.00	
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT - nearest contract month (Rands / tonne)											
SORGHUM Jul '17	3300.00	0.00	0.0%	3300.00	0.0%	3300.00	0.0%	3300.00	-7.0%	3550	
WMAZ Spot	3470.00	-144.00	-4.0%	3614.00	-2.3%	3551.00	-16.2%	4142.00	-32.2%	5120	
WMAZ Mar 17	3459.00	-100.00	-2.8%	3559.00	0.3%	3447.00	-8.9%	3795.00	-27.9%	4800	
WMAZ Jul 17	2385.00	91.00	4.0%	2294.00	-2.3%	2441.00	-16.3%	2850.00	-36.9%	3780	
YMAZ Spot	3222.00	-38.00	-1.2%	3260.00	-3.1%	3325.00	-3.3%	3332.00	-22.0%	4130	
YMAZ Mar 17	3131.00	-28.00	-0.9%	3159.00	-2.9%	3226.00	-3.5%	3244.00	-20.6%	3945	
YMAZ Jul 17	2391.00	30.00	1.3%	2361.00	-1.4%	2425.00	-11.5%	2701.00	-34.7%	3660	
SOY Spot	6405.00	20.00	0.3%	6385.00	1.7%	6300.00	-2.4%	6565.00	-15.7%	7600	
SOY May 17	6002.00	57.00	1.0%	5945.00	3.0%	5830.00	-2.1%	6130.00	-11.7%	6800	
SUN Spot	5491.00	-9.00	-0.2%	5500.00	0.2%	5480.00	-7.3%	5925.00	-27.8%	7610	
SUN May 17	5570.00	30.00	0.5%	5540.00	-1.2%	5639.00	-7.2%	6000.00	-24.0%	7326	
WHEAT Spot	3959.00	4.00	0.1%	3955.00	0.0%	3958.00	0.4%	3944.00	-19.6%	4924	
WHEAT May 17	4124.00	13.00	0.3%	4111.00	1.1%	4078.00	-0.7%	4152.00	-18.5%	5060	

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

Market Overview: This morning, the Rand is fairly stronger than Monday midday, but lost support on Monday morning with pressure emanating from a stronger dollar that resulted prior to the Brexit confirmation speech delivered by UK Prime Minister, Theresa May. At the time of writing the rand was trading at R13.61 to the dollar. The Brent crude oil price is 0.1% stronger than yesterday's reported level following news that the world's biggest oil exporter, Saudi Arabia has reduced oil output to less than 10 million barrels per day, which was the target, and will consider renewing its pledge to cut production in 6 months. At the time of writing, Brent crude oil was trading at US\$55.73 per barrel.

Maize: Following a 3 day weekend in the US as they observed Martin Luther King Jr. Day on Monday, markets will resume today with prices largely expected to be influenced by the latest South American weather prospects. Excessive moisture in Argentina's crop production areas is beginning to raise concerns over yield losses. If continued rain persists in Argentina there are going to be questions raised on how that crop is going to turn out. In the recent USDA crop report, the US crop production, carry over stock and feed have been reduced by more than expected. Elsewhere, in Singapore, maize prices rose higher, roughly 0.7% which was the strongest since 6 January with added support from the heavy rains in Argentina. In Brazil's crop report, it is estimated that the 2016/17 maize production should be a record for Brazil with a super harvest expected. **Local:** On the South African markets, maize prices followed Friday's trend, closing mixed with the earlier months closing lower and higher for the later months with white maize crop feeling the most pressure. White and yellow maize spot ended the day lower by 4% and 1.2% at R3 470 and R3 222, respectively. White maize March contract ended the day limits down while the yellow maize March contract also ended the day in the negative territory. The white and yellow July contract rose higher by 4% and 1.3%, respectively.

Soybeans: The US soybean prices trades higher overnight after the markets were closed there due to the public holiday in the US yesterday. The US soybean prices are supported by the expectations in the Argentinian market that the soybean crop there are likely to fall below the original estimation with more floods that are seen as rain continues to fall in the soybean producing areas. In Argentina the soybean crop are estimated to be 9% down from the original estimate and are left at 50 million tons. This is lower than the USDA that left the Argentinian estimates 57 million tons. Excessive rain in large parts of the Argentinian soybean producing areas has left many hectares unplanted for the season. The USDA also revised the US soybean production for the season lower and the US ending stocks are estimated to be slightly lower. The expected Brazilian soybean crop is looking favourable with the estimates that the soybean productivity are likely to be 10.3% higher this season than it was last season. The average yield last season in Brazil were 2.8 tons/ha. The Brazilian crop are estimated to be around 104 million ton which is between 8 – 9 million ton higher than last year's production. The exports from Brazil already started to pick up the pace and are estimated to start the new year at record levels of 1.5 – 2.0 million tons. **Local:** The local soybean market traded mostly stronger yesterday ending the day higher for all of the contract months. The rand were weakening throughout the trading session yesterday and that lend some support to the local soybean market.

Wheat: The US wheat market traded slightly higher overnight. The wheat market found support by the US winter wheat plantings that decreased to the lowest level since 1999. This was announced in last week's USDA report. The world wheat are however still estimated at high levels with good world production the world ending stocks were slightly up from the previous estimate and the high world stocks are likely to keep the international prices under pressure. There are not many news from the USA with the public holiday taking place yesterday. The dollar lost some ground and the weaker dollar gave some support to the commodity market as well in the US. **Local:** The local wheat market traded relatively sideways to slightly stronger yesterday. The trading in the local wheat market is taking place at a very slow pace with contract volumes of below 500 for the most active wheat contract which were the March 2017 contract. The local wheat market traded relatively stable at the current prices which range from just below R4 000/ton up to just below R4 200/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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