

Grain SA's Morning Grain Market Commentary

GRAIN SA GRAAN SA	DATE	DATE			+ - LAST WEEK		+ - LAST MONTH		+ - LAST YEAR					
	2017/08/18	2017/08/17			2017/08/07		2017/07/17		2016/08/15					
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data				
DJIA-index	21751	-274.14	↓	-1.2%	22025	↓	-1.5%	22093	↑	0.5%	21638	↑	16.7%	18636
Goud (Spot)	1287.68	-0.50	↓	0.0%	1288.18	↑	0.3%	1258.38	↑	4.6%	1230.71	↓	1.3%	1345.79
Brent \$/vat	50.85	0.56	↑	1.1%	50.29	↓	-2.2%	51.99	↑	3.9%	48.94	↑	5.8%	48.06
1 € / US\$	1.1734	0.00	↑	0.2%	1.1711	↓	-0.5%	1.1794	↑	2.5%	1.1453	↑	4.6%	1.1213
1 US\$ / ZAR	13.25	0.060	↑	0.5%	13.19	↓	-0.5%	13.39	↑	1.8%	13.02	↓	-0.2%	13.28
Corn	R 1 825.69	-89	↓	-4.6%	R 1 914.36									
Wheat	R 2 015.58	-151	↓	-7.0%	R 2 166.38									
Soybeans	R 4 527.74	16	↑	0.3%	R 4 512.09									
Latest CBOT prices during overnight trading (Recorded between 6 a.m. to 07:00 am vs 12:00 pm the previous trading day)														
Corn Sep 17	350.00	-17.00	↓	-4.6%	367.00	↓	-4%	366.00	↓	-4%	365.00	↓	-5%	367.25
Wheat Sep 17	414.00	-33.00	↓	-7.4%	447.00	↓	-9%	454.00	↓	-6%	494.00	↓	-5%	488.25
Soybeans Sep 17	930.00	-1.00	↓	-0.1%	931.00	↓	-2%	949.00	↓	-6%	985.00	↓	-4%	966.75
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)														
SORGHUM Dec '17	3170.00	0.00	↑	0.0%	3170.00	↑	0.0%	3170.00	↓	-0.1%	3174.00			NA
WMAZ Spot	1807.00	15.00	↑	0.8%	1792.00	↓	-0.7%	1819.00	↑	0.4%	1799.00	↓	-5.9%	4101.00
WMAZ Sept 17	1827.00	13.00	↑	0.7%	1814.00	↓	-1.5%	1855.00	↓	-0.8%	1842.00	↓	-5.6%	4114.00
WMAZ Dec 17	1904.00	13.00	↑	0.7%	1891.00	↓	-1.6%	1934.00	↓	-0.6%	1915.00	↓	-3.9%	4127.00
YMAZ Spot	1944.00	15.00	↑	0.8%	1929.00	↑	0.9%	1926.00	↑	1.3%	1919.00	↓	-3.1%	3093.00
YMAZ Sept 17	1960.00	9.00	↑	0.5%	1951.00	↑	0.9%	1960.00	↓	-0.1%	1962.00	↓	-3.2%	3123.00
YMAZ Dec 17	2035.00	10.00	↑	0.5%	2025.00	↓	-0.5%	2045.00	↓	-0.7%	2049.00	↓	-3.9%	3177.00
SOY Spot	4490.00	4.00	↑	0.1%	4486.00	↓	-1.6%	4609.00	↓	-8.8%	4768.00	↓	-2.7%	6391.00
SOY Sept 17	4518.00	7.00	↑	0.2%	4511.00	↓	-1.8%	4650.00	↓	-6.9%	4853.00	↓	-2.7%	6425.00
SUN Spot	4656.00	-34.00	↓	-0.7%	4690.00	↓	-1.4%	4720.00	↑	0.0%	4654.00	↓	-1.7%	5799.00
SUN Sept 17	4692.00	-26.00	↓	-0.6%	4718.00	↓	-1.9%	4785.00	↓	-1.7%	4775.00	↓	-1.7%	5841.00
WHEAT Spot	4638.00	0.00	↑	0.0%	4638.00	↑	1.6%	4520.00	↑	1.2%	4585.00	↑	14.0%	4068.00
WHEAT Dec 17	4006.00	-38.00	↓	-0.9%	4044.00	↓	-1.3%	4099.00	↑	4.1%	3850.00	↓	-1.2%	4098.00

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

Market overview: The rand lost some ground to the dollar since market closing and trades around 6 cents weaker this morning at R13.25/\$. The latest report by Stats SA on the wholesale trades for the second quarter of 2017 was positive as it increased by 1.1% from the same time period a year ago. This survey forms parts of the estimates for the local economic growth figures and SA is expected to have done better in terms of growth than the previous two quarters when the country slipped into a technical recession. The mining and manufacturing together with the retail sales data released this week showed that these sectors made a positive contribution towards the economic growth in quarter 2 of 2017 and therefore a GDP growth rate is expected rather than another GDP contraction like in the previous two quarters. There are however some worries amongst analysts as these figures for June alone weren't that positive and that might be unfavourable for growth in the 3rd quarter of 2017.

Maize: The US maize prices traded slightly lower yesterday with the December contract that closed within the day's trading ranges. The market traded in narrow trading ranges yesterday as there were no new fundamental news entering the markets. The latest export sales report that were released yesterday was higher for the week than the levels that were expected by the market, but all of the sales were for the new seasons crops. The total old season crop export commitments are equal to the annual USDA forecast, but it is expected that some of the total exports could roll over to new season exports or may be washed out. In the weather forecast there were some areas in the eastern corn belt that are still on the dry side, while parts of Iowa were also missed by the rain this week, but there are a chance of better coverage for next week in this areas. The 30 day weather outlook favours mostly normal weather conditions in the largest parts of the maize producing areas, while above normal rain may occur in some areas. **Local:** The local maize market traded mixed yesterday as the market were under pressure initially in the session, but found some support and traded higher for the day to close slightly higher for all the contract months which is listed currently of both white and yellow maize.

Soybeans: US soybeans finished the day higher for the second consecutive day. The soybean September contract showed off the highest gains, with the December contract also coming in slightly higher compared to Wednesday's modest gains. Soybeans inched higher at the back of more buying from the world's largest importer of soybeans, as China signed to buy 3.8 million tons of US soybeans on Tuesday. The weekly soybean export sales reported by the USDA are currently ahead of trade estimates, sitting at 1.4 million tons; surging to the second-highest level this year so far. The new-crop sales were decent with the old crop accounting for 32% of the export sales. Due to its recent low prices, US soybeans are very competitive in the world market so far. Soybean trading volume rose up a little from the day prior, but trade remains below wheat which indicates that the market is still on a downtrend as market news were light this week. **Local:** On the domestic front, soybean prices also settled the day higher in modest gains. Soybean December contract remained unchanged, while the spot finished higher by 0.1% at R4 490. Soybeans were supported by a slightly weaker rand by market closure and higher international soybean prices also provided some support to the local price.

Wheat: US wheat prices ended the day lower for all markets. Spring wheat was unable to hold onto its earlier gains, closing the day lower for both September and December contract months. Winter wheat still continued in lower trend, posting new contract lows in oversold territory. On the weekly export inspections by the USDA, wheat sales came in better-than-expected at 634 117 tons and ahead of the USDA's forecast. Saudi Arabia issued a wheat tender, and this should place the US in business but tight competition from cheaper countries still exists. On the weather outlook, rains have been light over some parts of Kansas were moisture is low, which is likely to improve the crop conditions for the winter wheat. **Local:** South African wheat prices continued a trend lower, with prices remaining under pressure, while the spot settled the day unchanged in light trading. September contract showed off significant losses, followed by the December contract lower. International prices that still remain in new contract lows can also be attributed to lower domestic prices. There are currently a bit of uncertainty about the announcement of the import tariff as the expectations are that the tariff will first be announced to the previous trigger of R379/ton before it will be announced to the second trigger of R752/ton. The time period of implementation or duration thereof are however unknown.

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

International Market Insights & Data: www.usda.co.za

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