

Grain SA's Morning Grain Market Commentary

Grain SA GRAIN SA	DATE 2018/01/19		DATE 2018/01/18		+ - LAST WEEK 2018/01/08		AT THE MONEY PUT OPTION						
	Data	Δ	Δ%	Data	Δ%	Data	W/M		Y/M				
DJIA-index	26018	-97.84	↓	-0.4%	26116	↑	2.9%	25296	JULY '18 FUTURES PRICE		R 2 044.00	R 2 034.00	
Goud (Spot)	1331.80	4.30	↑	0.3%	1327.50	↑	1.0%	1318.11	PUT STRIKE PRICE		R 2 060.00	R 2 040.00	
Brent \$/vat	68.65	-0.90	↓	-1.3%	69.55	↑	1.4%	67.71	PUT PREMIUM		R 178.82	R 139.20	
1 € / US\$	1.2258	0.00	↑	0.3%	1.2217	↑	2.0%	1.2019	MINIMUM SAFEX PRICE		R 1 881.18	R 1 900.80	
1 US\$ / ZAR	12.10	-0.170	↓	-1.4%	12.27	↓	1.9%	12.33					
Corn	R 1 671.99	-5	↓	-0.3%	R 1 676.76	↓			* CBOT Corn Mar cents / bushel 08:00 today vs. CBOT Corn Mar 12:00 the previous day				
Wheat	R 1 889.55	-18	↓	-0.9%	R 1 907.08	↑			* CBOT Wheat Mar cents / bushel 08:00 today vs. CBOT Wheat Mar 12:00 the previous day				
Soybeans	R 4 325.95	-38	↓	-0.9%	R 4 364.18	↑			* CBOT Soy Mar cents / bushel 08:00 today vs. CBOT Soy Mar 12:00 the previous day				
Latest CBOT prices during overnight trading							WEEK NR.		MAIZE EXPORTS				
Corn Mar 18	351.00	-1.00	↓	-0.3%	352.00	↑	0%	351.00	37	W/M	Y/M	TM	
Wheat Mar 18	425.00	2.00	↑	0.5%	423.00	↓	-1%	430.00	WEEK TOTAL		4 876	44 177	49 053
Soybeans Jan 18	973.00	5.00	↑	0.5%	968.00	↑	1%	961.00	YTD TOTAL		550 939	1 252 831	1 803 770
Latest MTM prices (SPOT = nearest contract month) (Rand / ton)							EXPORTABLE		2 500 000				
SORGHUM Mar '18	2850.00	0.00	↑	0.0%	2850.00	↑	0.0%	2850.00	YTD AS % OF EXPORTABLE		22%	68%	41%
WMAZ Spot	1911.00	-21.00	↓	-1.1%	1932.00	↓	6.0%	2034.00	PACE/WEEK NEEDED		129 937	39 811	169 749
WMAZ Mar 18	1944.00	-21.00	↓	-1.1%	1965.00	↓	6.4%	2076.00	MAIZE PRODUCER DELIVERIES				
WMAZ Jul 18	2044.00	-25.00	↓	-1.2%	2069.00	↓	6.1%	2177.00	WEEK TOTAL		7 897	2 256	10 153
YMAZ Spot	1955.00	-21.00	↓	-1.1%	1976.00	↓	3.2%	2020.00	YTD TOTAL		9 548 375	6 446 844	15 995 219
YMAZ Mar 18	1981.00	-16.00	↓	-0.8%	1997.00	↓	3.7%	2057.00	CEC ESTIMATE + ADJUSTMENTS		9 642 750	6 451 250	16 094 000
YMAZ Jul 18	2034.00	-22.00	↓	-1.1%	2056.00	↓	4.3%	2125.00	% CROP DELIVERED		99%	100%	99%
SOY Spot	4545.00	20.00	↑	0.4%	4525.00	↓	6.3%	4850.00	PACE/WEEK NEEDED		6 292	294	6 585
SOY May 18	4643.00	26.00	↑	0.6%	4617.00	↓	5.7%	4925.00	WHEAT IMPORTS				
SUN Spot	4761.00	22.00	↑	0.5%	4739.00	↓	1.4%	4831.00	2017/18	2016/17	5 Yr. AVG		
SUN May 18	4702.00	24.00	↑	0.5%	4678.00	↓	2.0%	4798.00	WEEK TOTAL		10 007	404	21 061
WHEAT Spot	3740.00	-7.00	↓	-0.2%	3747.00	↑	1.5%	3684.00	YTD TOTAL		635 376	16 098	454 292
WHEAT Mar 18	3792.00	-4.00	↓	-0.1%	3796.00	↓	0.8%	3763.00	TOTAL NEEDED		2 000 000	930 728	1 622 999
WHEAT May 18	3865.00	-1.00	↓	0.0%	3866.00	↓	1.2%	3839.00	YTD AS % OF NEEDED		32%	1.7%	28%
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS													
<p>Market Overview: This morning, the rand is trading at its strongest in 2 and a half years. The rand has recently had a good run, with strength supported by various factors in the political and economic environment. A weaker dollar has added to the rand's strength as well as some comments made by the SARB Governor, Lesetja Kganyago in yesterday's MPC meeting. Kganyago noted that the rand appreciated by 13.1% against the US dollar since November 2017. The rand did remain resilient amid a long-term outlook caution by Lesetja Kganyago for the local economy, citing the lingering prospect of credit ratings downgrade which continues to weigh in on the rand. At the time of writing, the rand was trading at around R12.10 to the dollar. According to the latest fuel price changes reported by the Central energy fund, it is likely that fuel prices could once again decline in February. Petrol (95) and diesel (0.05%) could go down by 36 c/l and 17 c/l, respectively.</p> <p>Maize: US maize prices retracted some of the gains from Wednesday's session, closing a little lower for both March and July contract. Maize prices started the week low, pressured by a bearish USDA supply and demand estimate report that raised world ending stocks. Prices found some support in the middle of the week, helped by dry weather conditions in Argentina that is currently a cause for concern as well as positive export figures reported for a week ago. The new weekly export data will be reported today by the USDA and analysts expect export volumes to land between 500 406 to 800 142 tons. Local: South African maize prices ended the day lower for all contract months. Grain and oilseed prices are currently pressured by a stronger rand, which has capped gains despite the unfavourable weather conditions. White and yellow spot both finished lower by 1% at R1 911 and R1 955, respectively.</p> <p>Soybeans: The US soybean market found some support yesterday mostly due to the weather worries in Argentina and the gains that were seen in the soybean meal prices. Both the March and May contracts has closed higher for the day. The latest USDA weekly export sales report will be released later today as Monday was a public holiday in the US. The soybean export sales for the week is estimated to be in a wide range which shows that there is uncertainties about the actual amount of export sales that took place. The International Grain Council (IGC) has revised the world soybean production estimates higher from their previous estimate, but the world soybean production is still expected to be slightly lower than the production that were achieved last season. The European year to date soybean imports for the 2017/18 marketing year is 7% down year on year, while the soybean meal and palm oil imports are reported to be 6% and 3% respectively higher than the levels that were seen the same time of the season a year ago. Local: The local soybean market traded mixed yesterday but found some good support for the day with only the March contract that closed lower for the day.</p> <p>Wheat: The US wheat prices posted some gains yesterday due to short coverings in the market and the projections that the world production could show some small declines next year. The expectations in the market for the weekly export sales report is that the weekly exports sales are likely to be in a tight range with not any large changes to the average weekly estimates. The IGC projects a 2% reduction in the world wheat production for the next season which could create the first year on year decline in production and stock levels in six years. The production estimates for the current season were however revised slightly higher due to improved outlooks in Russia, Canada, Australia and Argentina. The world wheat stock levels is still very high and therefore in the international perspective there is currently not much fundamental information that would bring big support to the international wheat markets in the short to medium term. Local: The local wheat</p>													
<p>Domestic Market Insights & Data: www.grainsa.co.za / www.sagis.co.za International Market Insights & Data: www.usda.co.za</p> <p>Compiled by: Michelle Mokone and Luan van der Walt For any queries, contact Michelle@grainsa.co.za / luan@grainsa.co.za Thank you for the Maize Trust for partially funding this project</p>													