

Grain SA's Morning Grain Market Commentary

DATE 2018/07/19	DATE 2018/07/18			+ - LAST WEEK 2018/07/12		AT THE MONEY PUT OPTION							
	Data	Δ	Δ%	Data	Δ%	Data	WM	YM					
DJIA-index	25199	79.40	0.3%	25120	2.0%	24700	DEC '18 FUTURES PRICE	R 2 129.00	R 2 206.00				
Goud (Spot)	1223.95	-0.89	-0.1%	1224.84	-1.6%	1244.45	CALL STRIKE PRICE	R 2 120.00	R 2 200.00				
Brent \$/vat	73.06	1.56	2.2%	71.5	-1.4%	74.10	CALL PREMIUM	R 117.02	R 109.17				
1 € / US\$	1.1641	0.00	0.1%	1.1624	-0.3%	1.1672	BREAKEVEN SAPEX PRICE	R 2 237.02	R 2 309.17				
1 US\$ / ZAR	13.27	-0.050	-0.4%	13.32	-1.8%	13.51							
Corn	R 1 812.77	-3	-0.1%	R 1 815.41			*CBOT Corn Jul cents / bushel 08:00 today vs. CBOT Jul 12:00 the previous day						
Wheat	R 2 406.74	-32	-1.3%	R 2 438.32			*CBOT Wheat Jul cents / bushel 08:00 today vs. CBOT Wheat Jul 12:00 the previous day						
Soybeans	R 4 105.50	-1	0.0%	R 4 106.29			*CBOT Soy Jul cents / bushel 08:00 today vs. CBOT Soy Jul 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.	MAIZE EXPORTS						
Corn Sep 18	347.00	0.80	0.2%	346.20		11	WM	YM	TM				
Wheat Sep 18	493.60	-4.60	-0.9%	498.20			WEEK TOTAL	5 316	89 161	94 477			
Soybeans Sep 18	842.00	3.00	0.4%	839.00			YTD TOTAL	99 239	663 568	762 807			
Latest MTM prices (SPOT = nearest contract month (Rand / ton))						Import parity	Export parity	EXPORTABLE			1 550 000	2 455 000	4 005 000
SORGHUM Jul '18	3300.00	50.00	1.5%	3250.00	3348.51	2340.00	YTD AS % OF EXPORTABLE	6%	27%	19%			
WMAZ Spot	2018.00	20.00	1.0%	1998.00	3601.00	1710.00	PACE/WEEK NEEDED	35 384	43 693	79 078			
WMAZ Sep 18	2062.00	21.00	1.0%	2041.00	3159.00	1710.00	MAIZE PRODUCER DELIVERIES						
WMAZ Dec 18	2129.00	27.00	1.3%	2102.00	3217.00	1766.00	WEEK TOTAL	438 378	341 655	780 033			
YMAZ Spot	2081.00	23.00	1.1%	2058.00	3159.00	1710.00	YTD TOTAL	2 569 471	3 327 803	5 897 274			
YMAZ Sep 18	2132.00	54.00	2.6%	2078.00	3159.00	1710.00	CEC FORECAST + ADJUSTMENT	6 379 660	5 797 150	12 176 810			
YMAZ Dec 18	2206.00	26.00	1.2%	2180.00	3217.00	1766.00	% OF HARVESTED DELIVEIRES	40%	57%	48%			
SOY spot	4219.00	34.00	0.8%	4185.00	5777.00	3801.00	PACE/WEEK NEEDED	115 460	74 829	190 289			
SOY Sep 18	4306.00	35.00	0.8%	4271.00	6082.00	4089.00	WHEAT IMPORTS						
SUN Spot 18	4407.00	-11.00	-0.2%	4418.00	6060.00	4550.00	2017/18	2016/17	5 Yr. AVG				
SUN Sep 18	4556.00	41.00	0.9%	4515.00	6082.00	4089.00	WEEK TOTAL	29 781	25 883	28 263			
WHEAT July 18	4058.00	18.00	0.4%	4040.00	4207.00	3887.00	YTD TOTAL	1 677 162	581 125	1 111 823			
WHEAT Sep 18	4110.00	50.00	1.2%	4060.00	4261.00	3941.00	TOTAL NEEDED	1 930 000	930 728	1 622 999			
WHEAT Dec 18	4145.00	11.00	0.3%	4134.00	4452.00	4132.00	YTD AS % OF NEEDED	87%	62%	69%			

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

Market overview: The rand is trading at 13,27 against the dollar this morning. The rand remained steady yesterday afternoon after the release of Consumer Price Index (CPI) by Stats SA. The CPI moved up from 4.4% in May to 4.6 in June; transport costs is one of the key contributors due to higher fuel prices. Markets can now shift their focus to the South African Reserve bank that should release the repo rate this afternoon. Analysts expect expected that the repo rate will remain unchanged for a prolonged period. Crude oil is trading \$73,06/barrel this morning.

Maize: US maize prices ended the session slightly lower yesterday as traders continue to debate the impact of weather on maize crop following Monday's drop in weekly crop ratings by USDA. Demand news provided some support, ethanol production bounced back to 1.064 million barrels a day last week. This boost suggests that the USDA may have forecasted 762 195 tons too low for corn used to make biofuel. US export sales are expected to beat the weekly rate today, which will reach the August forecast by the USDA for the 2017 crop. **Local:** Local maize prices opened the day higher with some buying seen after the opening. December white maize contract opened the day at R2119, with a low of R2113, before trading at a high of R2134 close to the session end.

Soybean: US soybean prices ended the session with modest gains yesterday. Old and new export sales are expected to nearly double from last week's 544 365 tons. While Chinese tariffs remain a dark cloud, harvest prices out of the Gulf delivered are competitive with Brazil, even with the 25% penalty. **Local:** Local soybean contracts opened the day higher with the market pulling off the highs after opening. December soybean contract opened at R4451, which was the session high for the DAY, with a low of R4432 just before the session end.

Wheat: US wheat prices closed a little lower yesterday. Harvest pressure in winter wheat and lack of a weather threat the northern plains coupled with a stronger dollar weigh on prices. There is not much hope from traders for higher export sales to be reported, although sales could be higher than last week's 544 365 tons. **Local:** Local wheat contracts opened the day mostly flat, with a weaker rand weighing on prices. The December wheat contract opened the day at R4134 and traded at a low of R4130 before reaching an intraday high OF R4145 around the end of the session.

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

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