

Grain SA's Morning Grain Market Commentary

DATE 2018/03/19 Data	DATE 2018/03/16		DATE 2018/03/16		+ - LAST WEEK 2018/03/12		AT THE MONEY PUT OPTION					
	Δ	Δ%	Data	Δ%	Data	Δ%	Data	WM	YM	TM		
DJIA-index	24947	188.51 ↑	0.8%	24758	↓	-1.5%	25336	JULY '18 FUTURES PRICE	R 2 038.00	R 2 095.00		
Goud (Spot)	1311.68	-5.65 ↓	-0.4%	1317.33	↓	-0.9%	1323.22	PUT STRIKE PRICE	R 2 040.00	R 2 100.00		
Brent \$/vat	65.92	0.83 ↑	1.3%	65.09	↑	0.5%	65.58	PUT PREMIUM	R 102.56	R 101.50		
1 € / US\$	1.2260	-0.01 ↓	-0.5%	1.2324	↓	-0.5%	1.2319	MINIMUM SAFEX PRICE	R 1 937.44	R 1 998.50		
1 US\$ / ZAR	12.01	0.070 ↑	0.6%	11.94	↓	1.1%	11.88					
Corn	R 1 809.67	-15 ↓	-0.8%	R 1 825.04	↑			*CBOT Corn Mei cents / bushel 08:00 today vs. CBOT May 12:00 the previous day				
Wheat	R 2 064.14	-33 ↓	-1.6%	R 2 097.08	↑			* CBOT Wheat Mei cents / bushel 08:00 today vs. CBOT Wheat May 12:00 the previous day				
Soybeans	R 4 631.36	42 ↑	0.9%	R 4 589.01	↓			* 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.	MAIZE EXPORTS				
Corn May 18	382.75	-3.25 ↓	-0.8%	386.00	↓		45	WM	YM	TM		
Wheat May 18	467.75	-10.25 ↓	-2.1%	478.00	↓			WEEK TOTAL	9 512	4 498	14 010	
Soybeans May 18	1049.50	3.50 ↑	0.3%	1046.00	↓			YTD TOTAL	619 424	1 396 922	2 016 346	
Latest MTM prices (SPOT = nearest contract month (Rand / ton))							Import parity	Export parity	EXPORTABLE	2 500 000	1 850 000	4 350 000
SORGHUM Mar '18	3300.00	150.00 ↑	4.8%	3150.00	↓	3592.42	1727.23	YTD AS % OF EXPORTABLE	25%	76%	46%	
WMAZ Spot	1937.00	7.00 ↑	0.4%	1930.00	↓	3772.75	1550.60	PACE/WEEK NEEDED	268 654	64 725	333 379	
WMAZ May 18	1994.00	5.00 ↑	0.3%	1989.00	↓	3337.09	1668.56	MAIZE PRODUCER DELIVERIES				
WMAZ Jul 18	2038.00	6.00 ↑	0.3%	2032.00	↓	3370.07	1700.89	WEEK TOTAL	5 299	7 988	13 287	
YMAZ Spot	1999.00	-7.00 ↓	-0.3%	2006.00	↓	3229.11	1550.60	YTD TOTAL	9 650 216	6 544 387	16 194 603	
YMAZ May 18	2063.00	-3.00 ↓	-0.1%	2066.00	↓	3337.09	1668.56	CEC ESTIMATE + ADJUSTMENTS	9 642 750	6 451 250	16 094 000	
YMAZ Jul 18	2095.00	1.00 ↑	0.0%	2094.00	↓	3370.07	1700.89	% CROP DELIVERED	100%	101%	101%	
SOY Spot	4599.00	64.00 ↑	1.4%	4535.00	↓	6263.78	4123.48	PACE/WEEK NEEDED	-1 067	-13 305	-14 372	
SOY May 18	4659.00	41.00 ↑	0.9%	4618.00	↓	6522.81	4264.73	WHEAT IMPORTS				
SUN Spot	5086.00	176.00 ↑	3.6%	4910.00	↓	5747.01	4006.17	2017/18	2016/17	5 Yr. AVG		
SUN May 18	4885.00	70.00 ↑	1.5%	4815.00	↓	6522.81	4264.73	WEEK TOTAL	55 958	29 807	23 533	
WHEAT Spot	3736.00	29.00 ↑	0.8%	3707.00	↓	4080.88	1661.38	YTD TOTAL	1 142 693	387 007	731 176	
WHEAT May 18	3780.00	40.00 ↑	1.1%	3740.00	↓	4994.83	2452.11	TOTAL NEEDED	2 000 000	930 728	1 622 999	
WHEAT Jul 18	3780.00	37.00 ↑	1.0%	3743.00	↓	5065.18	2521.07	YTD AS % OF NEEDED	57%	41.6%	45%	

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

Market Overview: The rand is trading weaker than Friday midday but with very little movement. On Friday, the rand weakened at the back of the looming credit review date which is due at the end of the month by Moody's. The local currency hovered slightly below the psychological R12 mark and still remains in tight range. In general, the market is currently stabilizing with attention moving away from a "Ramaphosa victory", to more focus being placed on economic fundamentals in terms of the fiscal path of the country. The local political events currently have very little impact on the rand; this was demonstrated on Friday following reports that former President Jacob Zuma will face corruption charges, which had no effect on the rand. On the economic news this week, Statistics SA will release February's CPI figures as well as industry information such as retail and motor sales figures. At the time of writing, the rand was trading at around R12.01 to the dollar.

Maize: US maize prices ended the day lower on Friday, continuing lower for the second straight session, pushed down by significantly lower wheat prices sustained on Thursday as well as some technical selling. Maize prices have however generally posted good gains on a week-on-week close, helped by some good export sales but last week's sales were not enough to lift prices higher. US maize exports through the past 9 weeks have averaged a historically high 1.8 million tons a week. In order for maize prices to be supported higher, the demand needs to continue to stay strong. **Local:** South Africa maize prices ended the day mostly flat, while the white maize prices found some support, ending the day slightly higher in modest gains. Yellow maize spot ended the day lower by 0.3% at R1 999, meanwhile the white maize managed to catch a few gains, closing higher by 0.3% at R1 937. Attention on the influence of local maize prices continues to be the movements of the rand as well as the local supply and demand fundamentals. Prices remain under pressure due to high ending stocks for the current season.

Soybeans: See weekly oilseed market commentary

Wheat: US wheat prices continued lower, once again posting double-digit losses for both soft and hard red winter wheat. Spring wheat remained low, but in modest losses. The forecasted rain coming to the Plains is good for the crop, but places pressure on prices. Weather forecasts show exceptionally cooler weather in the southern Plains with warmer weather expected early this week. Some key production areas such as Nebraska, Kansas, Iowa and Illinois are expected to remain col between now and 23 March.. US wheat prices currently trading at a 3-week low due to weather improvements and rising global wheat supplies. Elsewhere, wheat crop results were relatively mixed, France's France AgriMer reported the estimated amount of soft wheat in good/excellent condition moving from 81% a week ago to 80%, while durum wheat improved slightly with ratings moving from 75% to 77%. **Local:** South African wheat prices ended the day higher, posting significant gains for all key contract months. Gains in the wheat market were at the back of a weaker rand seen as markets closed on Friday. More of those gains were however limited by extremely lower international prices. Wheat spot finished the day higher by 0.8% at R3 736 per ton.

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

Compiled by: Michelle Mokone and Luan van der Walt For any queries, contact luan@grainsa.co.za
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