


Grain SA's Morning Grain Market Commentary

	DATE	DATE		+ - LAST WEEK		+ - LAST MONTH		+ - LAST YEAR		
	2017/07/20	2017/07/19		2017/07/10		2017/06/19		2016/07/18		
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Data	
DJIA-index	21641	66.02	↑ 0.3%	21575	↑ 1.1%	21414	↑ 1.2%	21384	↑ 16.8%	18533
Goud (Spot)	1238.78	-0.73	↓ 0.1%	1239.51	↓ 2.3%	1211.04	↓ 1.0%	1251.91	↓ 4.9%	1330.07
Brent \$/vat	49.55	1.02	↑ 2.1%	48.53	↑ 5.9%	46.78	↑ 5.0%	47.18	↑ 5.9%	46.78
1 € / US\$	1.1510	-0.002	↓ 0.2%	1.1533	↑ 0.9%	1.1406	↑ 2.8%	1.1192	↑ 3.9%	1.1074
1 US\$ / ZAR	12.95	0.030	↑ 0.2%	12.92	↓ 1.9%	13.34	↑ 1.1%	12.81	↓ 1.4%	14.29
Corn	R 1 947.49	-76	↓ 3.8%	R 2 023.96						
Wheat	R 2 393.43	-9	↓ 0.4%	R 2 402.13						
Soybeans	R 4 753.55	-27	↓ 0.6%	R 4 780.52						
*CBOT Corn Jul cents / bushel 08:00 today vs. CBOT Corn Jul 12:00 the previous day										
*CBOT Wheat Jul cents / bushel 08:00 today vs. CBOT Wheat Jul 12:00 the previous day										
*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 day)										
Corn Jul 17	382.00	-15.00	↓ 3.8%	397.00	↑ 0%	382.00	↑ 2%	375.25	↑ 0%	380.25
Wheat Jul 17	503.00	-3.00	↓ 0.6%	506.00	↓ 2%	515.00	↑ 8%	467.00	↓ 0%	502.00
Soybeans Jul 17	999.00	-8.00	↓ 0.8%	1007.00	↓ 0%	996.00	↑ 7%	937.75	↓ 4%	1041.75
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	-4.00	↓ 0.1%	3174.00	↑ 1.4%	2700.00	↑ 1.4%	2700.00	↓ 0.9%	3200.00
WMAZ Spot	1844.00	0.00	↑ 0.0%	1844.00	↓ 0.5%	1854.00	↑ 6.7%	1728.00	↓ 56.9%	4485.00
WMAZ Sept 17	1880.00	-3.00	↓ 0.2%	1883.00	↓ 1.2%	1903.00	↑ 4.3%	1802.00	↓ 58.4%	4515.00
WMAZ Dec 17	1953.00	-4.00	↓ 0.2%	1957.00	↓ 1.3%	1979.00	↑ 4.3%	1872.00	↓ 57.0%	4544.00
YMAZ Spot	1957.00	-11.00	↓ 0.6%	1968.00	↓ 1.0%	1976.00	↑ 4.7%	1870.00	↓ 41.5%	3348.00
YMAZ Sept 17	1991.00	-13.00	↓ 0.6%	2004.00	↓ 1.8%	2027.00	↑ 3.6%	1921.00	↓ 41.1%	3378.00
YMAZ Dec 17	2072.00	-8.00	↓ 0.4%	2080.00	↓ 1.4%	2101.00	↑ 4.1%	1990.00	↓ 39.7%	3434.00
SOY Spot	4762.00	-14.00	↓ 0.3%	4776.00	↓ 1.3%	4826.00	↑ 4.1%	4575.00	↓ 31.4%	7150.00
SOY Sept 17	4832.00	-16.00	↓ 0.3%	4848.00	↓ 1.9%	4926.00	↑ 4.5%	4623.00	↓ 31.2%	7235.00
SUN Spot	4649.00	-55.00	↓ 1.2%	4704.00	↓ 1.6%	4726.00	↑ 1.9%	4564.00	↓ 21.3%	5980.00
SUN Sept 17	4763.00	-46.00	↓ 1.0%	4809.00	↓ 1.2%	4872.00	↑ 1.1%	4711.00	↓ 21.7%	6080.00
WHEAT Spot	4587.00	17.00	↑ 0.4%	4570.00	↑ 4.3%	4397.00	↑ 3.0%	4453.00	↑ 0.6%	4560.00
WHEAT Dec 17	3855.00	6.00	↑ 0.2%	3849.00	↑ 1.0%	3779.00	↓ 1.9%	4184.00	↓ 11.6%	4569.00

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

Market overview: The rand trades relatively unchanged from yesterday with market closing when it traded at R12.92/\$ and it trades at R12.93/\$ this morning. The rand is currently trading relatively stable at these levels just below R13/\$ and it found good support lately mostly due to the weakening of the dollar. Although the rand is trading relatively stable it still remains volatile as there are various factors that influence the rand both locally and internationally. Stats SA released the inflation rate figures for June yesterday and it was seen that the inflation rate for June was only 5.1% compared to the 5.4% of May. The inflation is easing and are currently well within the limits of the SARB which is between 3% and 6%. The SARB will make their interest rate decision known today and the expectation are that the Bank will most probably keep the interest rates unchanged despite the lower inflation rate. There are still many other uncertainties in the local economic and political environment which will be watched by the SARB and interest rate cuts may be seen later this year.

Maize: The US maize prices closed about 5 cents higher yesterday with the new crop December contract that trades above some key moving averages and briefly topped the \$4/bushel mark yesterday throughout the trading session. The market did however retracted slightly and closed just below the \$4/bushel mark. The hot weather which is forecasted for later this week and next week may cause stress in the pollinating maize plants, with the crop conditions that are already below last year's level and revised lower on Monday supports the US maize prices. Important maize producing states like Nebraska's and North Dakota's maize crop conditions were also revised lower on Monday. The weather conditions in the US will be watched closely in the next few weeks during the pollination phase. Hot and dry weather will be unfavourable as cooler more humid conditions will be needed during the pollination phase and the market in the US are likely to remain volatile during this period and to react sharp on the weather conditions. The expectations in the market for the weekly export sales report released later today are that the weekly export sales are likely to be similar to last week's business. **Local:** The local maize market closed relatively unchanged to slightly lower yesterday for almost all the contracts of both white and yellow maize which is listed currently. The market were under pressure after good gains were seen in both markets on Tuesday. In the latest SAGIS weekly producer delivery report the producer deliveries for the week were reported on 724 396 ton WM and 365 842 ton YM. The total deliveries for the season from the beginning of May is 10.56 million tons.

Soybeans: The pending heat waves lifted soybeans higher for the second day, with the August and November contract finishing above the key moving averages. Traders await the weekend in which hot temperatures are expected in the soybean production areas. The hot weather may cause problems for the developing crop in the area and concerns drove prices to double-digit gains. Elsewhere, oilseed markets were lower with the Canada canola easing at the back of a stronger Canadian currency, while Europe's rapeseed settled near a two-week low. Indian's soybean also settled lower at the back of more rainfall in key production areas which could raise the possibility of a higher supply. Attention remains on the hot temperatures in the US as that has been the main driver of price movements and crop conditions. Currently, soybean's rating is on 61% good/excellent, a point lower than the week prior. **Local:** South African soybean markets turned lower on Wednesday despite a slight depreciation of the Rand. Soybean spot and the September ended the day slightly lower but still above the 20-day moving average, while the December contract, which is the most active contract, showed off significant losses.

Wheat: Spring wheat dipped lower for the first time in four days as beneficial rain is forecast for the Dakotas this weekend, where the crop is planted. With harvest just two weeks away, the rain is likely to improve crop conditions, with current rating at 34%. Although the spring wheat settled lower, the contracts still managed to remain above key moving averages. The winter wheat ended the day mostly unchanged to a little lower in light trading. Winter wheat harvest is almost complete in the south, with good yields reported for the HRW but with lower acres reported. Elsewhere, UK wheat finished lower dragged down by limited demand on the wheat feed market. **Local:** On the domestic front, wheat markets were mainly higher in yesterday's session. Wheat spot ended the day higher, with the December contract also finding support and showing marginal gains. The Western Cape still remains dry, with a few showers expected next week. In the weekly producer deliveries reported by SAGIS, wheat delivered to local silos for the week ending 14 July 2017 amounted to 1 303, bringing the total for the season to 1.9 million tons.

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

Compiled by: Michelle Mokone & 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

