

Grain SA's Morning Grain Market Commentary

GRAIN SA GRAIN SA	DATE	DATE			+ - LAST WEEK		+ - LAST MONTH		+ - LAST YEAR					
	2017/04/21	2017/04/20			2017/04/10		2017/03/20		2016/04/18					
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data				
DJIA-index	20579	174.22	↑	0.9%	20404	↓	-0.4%	20656	↓	-1.6%	20915	↑	14.3%	18004
Goud (Spot)	1279.85	0.67	↑	0.1%	1279.18	↑	2.1%	1253.14	↑	3.7%	1234.60	↑	3.7%	1233.60
Brent \$/vat	53.05	-0.07	↓	-0.1%	53.12	↓	4.1%	55.34	↑	3.1%	51.43	↑	24.1%	42.74
1 € / US\$	1.0714	-0.005	↓	-0.5%	1.0763	↑	1.2%	1.0588	↓	-0.4%	1.0762	↓	5.4%	1.1324
1 US\$ / ZAR	13.16	0.020	↓	0.2%	13.14	↓	4.8%	13.82	↑	3.8%	12.68	↓	9.0%	14.46
Corn	R 1,849.55	-62	↓	-3.3%	R 1,911.72	*CBOT Corn May cents / bushel 08:00 today vs. CBOT Corn May 12:00 the previous day								
Wheat	R 1,963.20	-137	↓	-6.5%	R 2,100.23	* CBOT Wheat May cents / bushel 08:00 today vs. CBOT Wheat May 12:00 the previous day								
Soybeans	R 4,574.36	-27	↓	-0.6%	R 4,601.20	* CBOT Soy May 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 day)														
Corn May '17	357.00	-12.00	↓	-3.3%	369.00	↓	-1%	359.00	↓	-3%	367.00	↓	-12%	403.50
Wheat May '17	406.00	-29.00	↓	-6.7%	435.00	↓	-4%	424.00	↓	-7%	436.00	↓	-24%	530.75
Soybeans May '17	946.00	-7.00	↓	-0.7%	953.00	↑	0%	942.00	↓	-5%	1000.00	↓	-2%	968.00
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)														
SORGHUM Jul '17	3020.00	0.00	↑	0.0%	3020.00	↑	0.0%	3020.00	↓	-4.7%	3168.00	↓	-7.3%	3650.00
WMAZ Spot	1939.00	-41.00	↓	-2.1%	1980.00	↓	-7.0%	2086.00	↓	-1.0%	2179.00	↓	-6.4%	4451.00
WMAZ May 17	1881.00	-44.00	↓	-2.3%	1925.00	↓	-8.0%	2044.00	↓	0.9%	1899.00	↓	-8.0%	4476.00
WMAZ Jul 17	1859.00	-42.00	↓	-2.2%	1901.00	↓	-7.1%	2000.00	↑	0.1%	1857.00	↓	-5.3%	3401.00
YMAZ Spot	2098.00	-72.00	↓	-3.3%	2170.00	↓	-2.9%	2160.00	↓	-4.9%	2207.00	↓	-3.1%	3135.00
YMAZ May 17	1980.00	-60.00	↓	-2.9%	2040.00	↓	-6.0%	2106.00	↓	-0.6%	1992.00	↓	-7.1%	3150.00
YMAZ Jul 17	1982.00	-43.00	↓	-2.1%	2025.00	↓	-6.0%	2108.00	↑	0.8%	1966.00	↓	-3.9%	3000.00
SOY Spot	4743.00	-85.00	↓	-1.8%	4828.00	↓	-4.0%	4940.00	↓	-0.0%	5270.00	↓	-1.0%	6001.00
SOY May 17	4776.00	-37.00	↓	-0.8%	4813.00	↓	-4.4%	4994.00	↓	-4.2%	4985.00	↓	-0.5%	6011.00
SUN Spot	4410.00	-40.00	↓	-0.9%	4450.00	↓	-1.9%	4494.00	↓	-0.2%	4420.00	↓	-2.4%	6520.00
SUN May 17	4439.00	-46.00	↓	-1.0%	4485.00	↓	-2.1%	4532.00	↓	-1.7%	4515.00	↓	-1.6%	6490.00
WHEAT Spot	4374.00	-16.00	↓	-0.4%	4390.00	↓	-0.1%	4380.00	↑	7.4%	4071.00	↓	-5.4%	4623.00
WHEAT May 17	4389.00	-16.00	↓	-0.4%	4405.00	↓	-0.5%	4409.00	↑	6.7%	4115.00	↓	-5.7%	4652.00

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

Market Overview: The rand trades around R13.15/\$ this morning relatively unchanged from the levels seen yesterday at 12:00 when the rand traded at R13.14/\$. The rand posted some good trading lately gaining a few cents after the international investors started to favour the emerging markets. The rand also found some support as the new minister of finances Malusi Gigaba started his first international investors visit to the US to reclaim global investors' confidence after the uncertainty that were caused by the cabinet reshuffle that were seen a while ago by the president Jacob Zuma. Gigaba plans to meet officials of the world bank, the IMF and also officials of the rating agency Moody's to convince them not to downgrade SA to junk status together with the other two rating agencies who already did. He also gave some more insight in the ANC's policies and declared that governments commitment to some factors amongst other that were economic growth and poverty alleviation. He also declares that nationalism of local banks and mines are not part of the ANC's policies.

Maize: The US maize prices has settled a few cents lower yesterday with pressure on the market that were felt by the lower wheat market as well as some fund selling in the US yesterday. The rain in the US continues to delay the plant progress there in parts of the Midwest. Severe storms move through the Midwest yesterday and the 6 -10 day forecast favours wet conditions for the next week in the Midwest and especially in Iowa with cool conditions in the western parts of the Midwest. The US maize plantings were reported to be 6% done on Sunday by the latest weekly USDA report and this is only a few points behind the 5 year average of 9% at this time of the season. The weekly export sales report indicates the weekly maize exports lower than what the estimates were for the week. A South Korean feedmaker has bought 70 000 tons of maize for delivery in August which can be sourced from the US of South America, while another feedmaker in South Korea bought 203 000 tons of maize for delivery in December. The focus in the international maize market are likely to remain on the weather outlook in the US and the plant progress that take place there. **Local:** The local maize prices were mainly under pressure yesterday and closed lower for the day in most of the contract months which are currently listed of both white and yellow maize. The market came under pressure mainly due to the strengthening of the rand and the local maize harvesting that has already started in some areas, while many other areas are set to start harvesting more rapidly within the next month.

Soybeans: US soybeans ended the day lower on Thursday's session. Soybean futures have been range bound since April, with the May contract unable to push through the chart resistance at the 20-day average. In the weekly USDA export sale report, soybean exports amounted to 225 887 tons, which was less than a week ago and missed trade forecasts for both old and new-crop. Elsewhere, markets closed higher for the Canadian canola which was supported by planting concerns amid a delay caused by rain. China soybeans were mixed and Malaysian palm oil was higher to rebound from a recent eight-month low. In South America, weather seems dry this week which should help with the harvest progress, while harvest in Brazil is largely done. **Local:** Soybeans were once again under pressure as the rand continued strengthening. Soybean prices ended lower for all contract months. The spot price came under pressure, settling the day significantly lower than other contracts by 1.8% at R4 743. The May contract which is also the most active contract, inched lower to finish the day at R4 776 with the July contract also closing off in the negative territory.

Wheat: Winter wheat markets ended the day lower with the hard and soft red winter wheat settling with a few contract lows as funds were active sellers this week. The May soft red winter dipped to its lowest for a lead month since January, while the hard red winter wheat set a 2017 low. The spring wheat also inched lower, dropping low by 10 cents. More rain is forecast in Dakota, which delays the spring wheat planting. In the weekly export report, US wheat sales amounted to 552 471 tons, which was higher than trade forecasts with the new crop sales up from a week ago. Wheat markets came under pressure amid big sellers that are likely to add their net short positions. **Local:** South Africa wheat lost some of its gains seen in Wednesday's trade, ending the day lower on Thursday's session. Wheat contract showed off fewer losses but mostly in the negative territory for all contract months. In the weekly producer deliveries reported by SAGIS, wheat deliveries to local silos amounted to 3 479 tons. Total wheat deliveries for the 2016/17 marketing season amounted to 1 842 080 tons.

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

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

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