


## Grain SA's Morning Grain Market Commentary

	DATE	DATE		+ - LAST WEEK		+ - LAST MONTH		+ - LAST YEAR		
	2017/07/21	2017/07/20		2017/07/10		2017/06/19		2016/07/18		
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Data	
DJIA-index	21612	-28.97 ↓	-0.1%	21641 ↑	0.9%	21414 ↑	1.1%	21384 ↑	16.6%	18533
Goud (Spot)	1245.49	6.71 ↑	0.5%	1238.78 ↑	2.8%	1211.04 ↓	-0.5%	1251.91 ↓	4.4%	1330.07
Brent \$/vat	49.23	-0.32 ↓	-0.6%	49.55 ↑	2%	46.78 ↑	4.3%	47.18 ↑	5.2%	46.78
1 € / US\$	1.1633	0.013 ↑	1.1%	1.1508 ↑	2.0%	1.1406 ↑	3.9%	1.1192 ↑	9.0%	1.1074
1 US\$ / ZAR	13.02	0.060 ↑	0.5%	12.96 ↓	-2.4%	13.34 ↑	2.6%	12.81 ↓	4.9%	14.29
Corn	R 2 004.15	-36 ↓	-1.8%	R 2 040.03	*CBOT Corn Jul cents / bushel 08:00 today vs. CBOT Corn Jul 12:00 the previous day					
Wheat	R 2 415.94	40 ↑	1.7%	R 2 376.23	*CBOT Wheat Jul cents / bushel 08:00 today vs. CBOT Wheat Jul 12:00 the previous day					
Soybeans	R 4 846.22	8 ↑	0.2%	R 4 838.18	*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	391.00	-7.00 ↓	-1.8%	398.00 ↑	2%	382.00 ↑	4%	375.25 ↑	3%	380.25
Wheat Jul 17	505.00	6.00 ↑	1.2%	499.00 ↓	-2%	515.00 ↑	8%	467.00 ↓	1%	502.00
Soybeans Jul 17	1013.00	-3.00 ↓	-0.3%	1016.00 ↑	2%	996.00 ↑	8%	937.75 ↓	-3%	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	0.00 ↑	0.0%	3170.00 ↑	1.4%	2700.00 ↑	1.4%	2700.00 ↓	-0.9%	3200.00
WMAZ Spot	1837.00	-7.00 ↓	-0.4%	1844.00 ↓	-0.9%	1854.00 ↑	6.3%	1728.00 ↓	-5.0%	4485.00
WMAZ Sept 17	1875.00	-5.00 ↓	-0.3%	1880.00 ↓	-1.5%	1903.00 ↑	4.1%	1802.00 ↓	-5.5%	4515.00
WMAZ Dec 17	1943.00	-10.00 ↓	-0.5%	1953.00 ↓	-1.8%	1979.00 ↑	3.8%	1872.00 ↓	-5.2%	4544.00
YMAZ Spot	1955.00	-2.00 ↓	-0.1%	1957.00 ↓	-1.1%	1976.00 ↑	4.5%	1870.00 ↓	-4.6%	3348.00
YMAZ Sept 17	1980.00	-11.00 ↓	-0.6%	1991.00 ↓	-1.3%	2027.00 ↑	3.1%	1921.00 ↓	-4.4%	3378.00
YMAZ Dec 17	2060.00	-12.00 ↓	-0.6%	2072.00 ↓	-2.0%	2101.00 ↑	3.5%	1990.00 ↓	-4.0%	3434.00
SOY Spot	4795.00	33.00 ↑	0.7%	4762.00 ↓	-0.6%	4826.00 ↑	4.8%	4575.00 ↓	-3.9%	7150.00
SOY Sept 17	4875.00	43.00 ↑	0.9%	4832.00 ↓	-1.0%	4926.00 ↑	5.5%	4623.00 ↓	-3.6%	7235.00
SUN Spot	4678.00	29.00 ↑	0.6%	4649.00 ↓	-1.0%	4726.00 ↑	2.5%	4564.00 ↓	-2.8%	5980.00
SUN Sept 17	4787.00	24.00 ↑	0.5%	4763.00 ↓	-1.7%	4872.00 ↑	1.6%	4711.00 ↓	-2.3%	6080.00
WHEAT Spot	4630.00	43.00 ↑	0.9%	4587.00 ↑	3.8%	4397.00 ↑	4.0%	4453.00 ↑	1.5%	4560.00
WHEAT Dec 17	3852.00	-3.00 ↓	-0.1%	3855.00 ↑	1.9%	3779.00 ↓	-2.9%	4184.00 ↓	-11.7%	4569.00

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

**Market overview:** The rand lost some ground to the dollar from yesterday and trades at R13.03/\$ this morning. The rand fell back to the dollar after the SARB cut interest rates yesterday with 25 basis points to set the repo rate at 6.75% and the prime lending rate at 10.25%. This was quite unexpected for most of the analysts that were of meaning that the bank are likely to keep the interest rates unchanged until later this year. The governor of the SARB had mentioned that even though inflation is currently well below the upper band of 6% set by the SARB it still remains a concern. The bank also revised the growth expectation for the year lower from what was projected earlier this year. Economic growth is a key aspect that needs to be considered and the lower interest rates will reduce the cost of capital that could spark some lending and will be favourable for economic growth.

**Maize:** The US maize prices closed around 8 cents higher yesterday with the new season December contract at a one week high and further above some key moving averages. The weather forecasts in the US that favours hot and dry conditions could be unfavourable for the pollinating maize and that give good support to the markets. The weekly export sales from the US that were reported were better than expected and most of the exports went to regular customers in Asia and Latin America. The US market remains volatile and the market participants will be watching the weather conditions closely as this cause many uncertainties in their market. The current weather forecasts remains unfavourable and are supportive to the prices. In the latest USDA report the production forecast for the season still looked good, but with the current unfavourable dry conditions in the US the next report will give some more clarity about the impact of this conditions on the production expectations. **Local:** The local maize market traded mostly lower yesterday with small price movements that were seen in the market. The prices of most of the contract months of both white and yellow maize traded lower yesterday. The market remain under pressure as there are large stock levels available with the producer deliveries that still take place at a good rate.

**Soybeans:** US soybeans settled higher, leading the markets with good gains on Thursday as forecasters keep hot dry weather in the Midwest. The August contract finished above key moving averages, while the November contract moved past the US\$10 mark, close to last week's pre-report highs. Elsewhere, oilseed markets were mainly mixed with the Canada canola ending the day higher, while Europe's rapeseed dipped near a two-week low. On the weekly export sales reported by the USDA, soybean sales came in higher-than-expected at 1.9 million tons; this was also higher than last week's sale of 683 105 tons. The big soybean export sales figures were mainly helped by the sale to China last week. Despite hot weather concerns, soybeans are developing on schedule with 52% blooming stage, versus the 51% average. Soybean markets have performed better over the past 3 weeks, spiking as much as 15% higher. Attention is yet to still remain on the weather, as the 30-day forecast favours above normal temperatures throughout August. **Local:** Local oilseed markets ended the day in the positive territory on Thursday mainly supported by the international markets that settled higher. Domestic soybean futures finished higher for all contract months, showing off good gains. The spot was higher by 0.7% at R4 795, while the December contract traded above the R5 000 levels in active trade.

**Wheat:** Wheat markets followed suit, ending the day higher. The spring wheat clawed back its losses on Thursday to finish higher in modest gains. Spring wheat trended lower on the previous session as rain was forecast for the northern Dakotas, but spiked higher as the Drought Monitor added exceptional drought for a small area in southwest North Dakota which was added support to spring wheat futures. With harvest nearly complete for the winter wheat, weather conditions are slowly wearing off as concerns for that crop. The USDA's weekly export sales for wheat were exceptionally higher than expected, coming in at 669 497 tons versus the 356 521 tons of a week ago. Currently, year-to-date sales are also above a year ago. **Local:** South African wheat markets ended the day mixed. The spot and September price settled relatively higher by 0.9% and 0.7%, respectively. Meanwhile, the December contract was short of any gains, closing marginally lower.

Domestic Market Insights & Data: [www.grainsa.co.za](http://www.grainsa.co.za) / [www.sagis.co.za](http://www.sagis.co.za)

International Market Insights & Data: [www.usda.co.za](http://www.usda.co.za)

Compiled by: Michelle Mokone & Luan Van der Walt / For any queries, contact: [michelle@grainsa.co.za](mailto:michelle@grainsa.co.za) & [Luan@grainsa.co.za](mailto:Luan@grainsa.co.za)

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