

Grain SA's Morning Grain Market Commentary

Grain SA GRAIN SA GHANA SA	DATE 2018/06/22		DATE 2018/06/21		+ - LAST WEEK 2018/06/11		AT THE MONEY PUT OPTION					
	Data	Δ	Δ%	Data	Δ	Data		WM	YM			
DJIA-index	24462	-196.10	↓	-0.8%	24658	↓	-3.4%	JULY '18 FUTURES PRICE	R	2 076.00	R	2 183.00
Goud (Spot)	1264.86	0.32	↑	0.0%	1264.54	↓	-2.2%	PUT STRIKE PRICE	R	2 080.00	R	2 180.00
Brent \$/vat	72.99	-0.88	↓	-1.2%	73.87	↓	-4.4%	PUT PREMIUM	R	20.30	R	18.26
1 € / US\$	1.1632	0.01	↑	0.7%	1.1554	↓	-1.5%	MINIMUM SAFEX PRICE	R	2 059.70	R	2 161.74
1 US\$ / ZAR	13.55	-0.180	↓	-1.3%	13.73	↑	3.8%					
Corn	R 1 915.03	7	↑	0.4%	R 1 908.04			*CBOT Corn Jul cents / bushel 08:00 today vs. CBOT Jul 12:00 the previous day				
Wheat	R 2 621.82	119	↑	4.7%	R 2 503.29			* CBOT Wheat Jul cents / bushel 08:00 today vs. CBOT Wheat Jul 12:00 the previous day				
Soybeans	R 4 407.21	-43	↓	-1.0%	R 4 450.62			* 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 July 18	359.00	6.00	↑	1.7%	353.00		7	WM	YM	TM		
Wheat July 18	526.60	30.40	↑	6.1%	496.20			WEEK TOTAL	4 612	80 030	84 642	
Soybeans July 18	885.20	3.00	↑	0.3%	882.20			YTD TOTAL	69 172	328 753	397 925	
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	3110.00	0.00	↑	0.0%	3110.00	3774.00	2079.00	YTD AS % OF EXPORTABLE	4%	13%	10%	
WMAZ Jun 18	2065.00	7.00	↑	0.3%	2058.00	4054.00	1950.00	PACE/WEEK NEEDED	32 907	47 250	80 157	
WMAZ Jul 18	2076.00	8.00	↑	0.4%	2068.00	3426.00	1950.00	MAIZE PRODUCER DELIVERIES				
WMAZ Sep 18	2139.00	8.00	↑	0.4%	2131.00	3478.00	2007.00	WEEK TOTAL	265 391	494 954	760 345	
YMAZ Jun 18	2168.00	13.00	↑	0.6%	2155.00	3426.00	1950.00	YTD TOTAL	902 712	1 581 214	2 483 926	
YMAZ Jul 18	2183.00	7.00	↑	0.3%	2176.00	3426.00	1950.00	CEC FORECAST + ADJUSTMENT	6 379 660	5 797 150	12 176 810	
YMAZ Sep 18	2235.00	9.00	↑	0.4%	2226.00	3478.00	2007.00	% OF HARVESTED DELIVERIES	14%	27%	20%	
SOY Jun 18	4355.00	28.00	↑	0.6%	4327.00	6441.00	4384.00	PACE/WEEK NEEDED	148 026	113 944	261 970	
SOY Jul 18	4370.00	17.00	↑	0.4%	4353.00	6440.00	4373.00	WHEAT IMPORTS				
SUN Jun 18	4648.00	16.00	↑	0.3%	4632.00	6438.00	4905.00	2017/18	2016/17	5 Yr. AVG		
SUN Jul 18	4668.00	18.00	↑	0.4%	4650.00	6438.00	4905.00	WEEK TOTAL	1 033 828	-	18 080	
WHEAT Jun 18	3978.00	1.00	↑	0.0%	3977.00	4258.00	3938.00	YTD TOTAL	1 434 968	555 242	1 058 307	
WHEAT Jul 18	3990.00	3.00	↑	0.1%	3987.00	4412.00	4095.00	TOTAL NEEDED	1 930 000	930 728	1 622 999	
WHEAT Sep 18	4076.00	34.00	↑	0.8%	4042.00	4960.00	4646.00	YTD AS % OF NEEDED	74%	60%	65%	

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

Market Overview: The rand traded at R13.55 / \$ this morning and significantly strengthened from the levels at which it traded on at market closing yesterday afternoon. The rand fell sharply yesterday and weakened to levels of just under the R14 / \$ after the SARB quarterly bulletin was not favourable. The current account deficit has increased considerably and was 4.8% of GDP for the first quarter of 2018. This is the largest current account deficit since the first quarter of 2016 when it was 4.9% of GDP. The local economy is currently under pressure in various places, and there must be drastic changes to reverse the economy so that growth can be stimulated. The CPI figures announced on Wednesday were lower than the general expectations in the market and were 4.4% reported for May from 4.5% in April.

Maize: The American maize market found support yesterday and traded stronger for the day with reports that excessive rainfall in some parts of the US production areas caused floods. However, support for the day was limited with the weaker than expected export sales figures for the week. The weekly maize export sales reported by the USDA yesterday were reported at 505 000 tons, which includes both old and new season sales. It was significantly lower than the weekly trade expectations. However, export shipments for the week were favourable and reported at 1,028 million tons, but was still less than the average weekly rate required to meet the USDA annual estimate. Japan was the largest recipient of American maize for the week. In other international news, EU imports are reported about 35% higher than the same time of the season last year. South Korea's strong purchases continue to last and bought about 61 000 tons of maize again on an international tender for delivery at the end of October. China sold about 1.4 million tons of state reserves of maize on an auction representing approximately 36% of the total at the auction. **Local:** The local maize market found support yesterday and traded slightly stronger for the day in most of the contract months currently listed for both white and yellow maize.

Soybeans: The American soybean market came under pressure again yesterday with the continued tension of the trade dispute between the US and China are still demanding its toll on the American soybean market. The soybean export sales for the week were reported at 53 000 tons, including both old and new season sales. Sales for the week were about a third lower than last week's export sales, and it was also lower than the weekly trade expectations. However, the cumulative exports for the season so far exceeded the USDA's annual estimate for the 2017/18 season. The US export shipments were reported at 1.17 million tons for the week with the Netherlands, which was the largest export destination. In other international news, the EU's soybean imports for the season are 4% lower than last season, while soybean meal imports to the EU are 3.5% higher than last season. **Local:** The local soybean market found support yesterday and traded higher for the day in most of the contract months currently listed.

Wheat: The US wheat prices gained momentum with end user buying that were seen in the US. Other international factors such as the weather problems that causing some concerns about the Russian wheat crop also added support. Weekly US export sales were in line with expectations at 461 600 tons. Weather forecasts estimated the Russian wheat crop at 67.4 million tons that is down by 21.5% from 2017 records. EU wheat exports have reached 19 million tons as of June 19, which is about 18% below the pace from last year. **Local:** The local wheat contracts opened the day higher with the market attempting to gain some more ground after that. The market opened at R 4000 and traded to a high of R4010, and then the market came under pressure trading at a low of R3990 and closing around the session low.

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

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