

Grain SA's Morning Grain Market Commentary

DATE 2017/11/22	DATE 2017/11/21		+ - LAST WEEK 2017/11/13		AT THE MONEY PUT OPTION		
	Δ	Δ%	Δ	Δ%	WM	YM	
DJIA-index	23591	160.50 ↑	0.7%	23430	↑	0.7%	23422
Goud (Spot)	1280.69	1.09 ↑	0.1%	1279.60	↑	0.4%	1275.60
Brent \$/vat	63.02	0.72 ↑	1.2%	62.30	↓	-1.0%	63.68
1 € / US\$	1.1743	0.00 ↑	0.0%	1.1741	↓	0.8%	1.1655
1 US\$ / ZAR	13.97	-0.06 ↓	-0.4%	14.03	↓	-3.0%	14.40
Corn	R 1 897.39	11 ↑	0.6%	R 1 886.40	↑		
Wheat	R 2 180.28	-21 ↓	-1.0%	R 2 201.25	↑		
Soybeans	R 5 076.63	-73 ↓	-1.4%	R 5 149.99	↑		
* CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Corn Dec 12:00 the previous day							
* CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day							
* CBOT Soy Nov cents / bushel 08:00 today vs. CBOT Soy Nov 12:00 the previous day							
Latest CBOT prices during overnight trading				WEEK NR.			
Corn Dec 17	345.00	2.00 ↑	0.6%	343.00	↑	1%	343.00
Wheat Dec 17	424.75	-2.25 ↓	-0.5%	427.00	↓	-1%	431.00
Soybeans Jan 18	989.00	-10.00 ↓	-1.0%	999.00	↑	1%	977.00
Latest MTM prices (SPOT = nearest contract month) (Rand / ton)				MAIZE EXPORTS			
SORGHUM Dec '17	2620.00	0.00 ↑	0.0%	2620.00	↑	0.0%	2620.00
WMAZ Spot	2027.00	45.00 ↑	2.3%	1982.00	↑	0.1%	2025.00
WMAZ Dec 17	2041.00	46.00 ↑	2.3%	1995.00	↓	-0.1%	2043.00
WMAZ Mar 18	2108.00	58.00 ↑	2.8%	2050.00	↑	0.8%	2091.00
YMAZ Spot	2142.00	53.00 ↑	2.5%	2089.00	↑	1.2%	2117.00
YMAZ Dec 17	2154.00	45.00 ↑	2.1%	2109.00	↑	0.6%	2142.00
YMAZ Mar 18	2206.00	47.00 ↑	2.2%	2159.00	↑	1.0%	2185.00
SOY Spot	5141.00	71.00 ↑	1.4%	5070.00	↑	2.4%	5022.00
SOY Dec 17	5161.00	80.00 ↑	1.6%	5081.00	↑	2.0%	5059.00
SUN Spot	4880.00	94.00 ↑	2.0%	4786.00	↑	2.8%	4746.00
SUN Dec 17	4875.00	69.00 ↑	1.4%	4806.00	↑	2.0%	4779.00
WHEAT Spot	4186.00	16.00 ↑	0.4%	4170.00	↓	-0.2%	4196.00
WHEAT Dec 17	4199.00	7.00 ↑	0.2%	4192.00	↓	-0.5%	4221.00
WHEAT Mar 18	4283.00	9.00 ↑	0.2%	4274.00	↓	-2.7%	4316.00
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS				WEEK TOTAL			
				27			
				WEEK TOTAL			
				YTD TOTAL			
				EXPORTABLE			
				YTD AS % OF EXPORTABLE			
				PACE/WEEK NEEDED			
				MAIZE PRODUCER DELIVERIES			
				WEEK TOTAL			
				YTD TOTAL			
				CEC ESTIMATE + ADJUSTMENTS			
				% CROP DELIVERED			
				PACE/WEEK NEEDED			
				WHEAT IMPORTS			
				2017/18			
				2016/17			
				5 Yr. AVG			
				WEEK TOTAL			
				YTD TOTAL			
				TOTAL NEEDED			
				YTD AS % OF NEEDED			

Market overview: The rand is trading at R13.97/\$ this morning and gained good support after president Robert Mugabe of Zimbabwe has announced his resignation. This was seen as a positive factor for the country as instability in our neighbouring countries easily spill over to South Africa as well. Investors will however still be on the outlook for Friday's credit rating announcement by the two rating agencies which would keep the rand on a very volatile edge. Statistics SA will release the inflation rate for October later today while the SARB will release their interest rate decision tomorrow. The expectations in the market are that the inflation rate is still likely to remain within the SARB's target range of 3 – 6% and the SARB is likely to keep the interest rates unchanged with the repo rate that would remain at 6.75%.

Maize: The US maize prices has traded in a very narrow range yesterday closing mostly unchanged for the day. There are currently no new big fundamental news entering the market which cause large price movements in the market. The harvesting in the US is nearing completion and according to the latest USDA crop progress report the harvesting is reported to be 90% done up from the 83% done that were reported last week. The 5 year average pace of the harvesting for this time of the season is 95% complete. **Local:** The local maize prices has found some support yesterday closing higher in almost all of the contact months which is listed currently. The market is still watching the pace of the planting progress as there are some delays in certain areas where the soil moisture is still low and the plantings cannot proceed optimally. White maize exports for the week of 11Nov-17Nov has seen a total of 8,925 tons this brings us towards a total of 519 621 tons for the 2017/2018 season. Yellow Maize total exports for the same week amounts to 3 560 tons which brings the grand total up to 1 030 323 tons for the Season. None Maize Imports has been recorded for white and yellow maize respectively.

Soybeans: The US soybean market traded slightly lower for the day yesterday as the trading took place in tight ranges. The soybean meal prices also were under pressure yesterday and the has contributed to the pressure on the soybean prices. The soybean harvesting in the US is mostly done and according to the latest USDA report the harvesting in most of the largest soybean producing areas is totally completed while the total harvesting in the country is reported to be 96% completed. With the harvesting in the US mostly done the main focus in the market will remain on the South American production conditions. There are mixed news from South America where much needed rain has fell in the norther parts of Brazil which will be favourable for the crop development there. In Argentina there are however still some concerns about the dry weather conditions there that is unfavourable for the crop progress. **Local:** The local oilseed markets traded mostly higher yesterday with all of the soybean and sunflower seed contracts that traded higher for the day. The weather conditions will also play an key role in the oilseed production for the season as the weather conditions is still fairly unfavourable for the plantings to take place optimally.

Wheat: The US wheat prices found some support yesterday and traded higher for the day after the USDA's report that revised the winter wheat crop conditions lower from last week's report. The SRW, HRW and spring wheat has closed slightly higher for the day. According to the latest USDA weekly crop progress report the winter wheat crop conditions is rated to be in a 52% good to excellent state which is 2% lower than last week and 6% lower than the 58% reported the same time of the season last year. In Ukraine the wheat harvesting is mostly done and Ukraine had a good production year with a large crop. It is also expected that largest part of the Ukrainian production will needs to be exported this season. China has sold around 13% of the state reserve wheat on an auction yesterday which also brings a lot of wheat into the markets. There are in general large wheat stocks in the international markets that keeps the international wheat prices under pressure. **Local:** The local wheat market found some support yesterday and traded mostly higher for the day. The wheat exports for the week of 11Nov-17Nov amounts to 854 with a export total of 2502 tons in the season. Looking at Imports for the week an amount of 32 544 tons have been imported from the Russian Federation which amounts to a total of 461 947 Tons of wheat imports for the Season this far.

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

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