

Grain SA's Morning Grain Market Commentary

GRAIN SA GRAINSA	DATE	DATE			+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO					
	2016/08/23	2016/08/22			2016/08/15		2016/07/25		2015/08/24					
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data				
DJIA-index	18529	-23.15	↓	-0.1%	18553	↓	-0.6%	18636	↑	0.2%	18493	↑	16.7%	15871
Goud (Spot)	1336.74	2.25	↑	0.2%	1334.49	↓	-0.7%	1345.79	↑	1.3%	1319.32	↑	15.7%	1155.17
Brent \$/vat	48.65	-1.57	↓	-3.1%	50.22	↑	1.2%	48.06	↑	8.3%	44.91	↑	12.7%	43.18
1 € / US\$	1.1335	0.004	↑	0.4%	1.1294	↑	1.1%	1.1213	↑	2.9%	1.1012	↓	-0.3%	1.1374
1 US\$ / ZAR	14.51	0.900	↓	6.6%	13.61	↑	9.3%	13.28	↑	1.4%	14.31	↑	10.2%	13.17
Corn	R 1,902.19	-6	↓	-0.3%	R 1,907.90	*CBOT Corn Sep cents / bushel 08:00 today vs. CBOT Corn Sep 12:00 the previous day								
Wheat	R 2,212.58	77	↑	3.6%	R 2,135.35	* CBOT Wheat Sep cents / bushel 08:00 today vs. CBOT Wheat Sep 12:00 the previous day								
Soybeans	R 5,518.12	382	↑	7.4%	R 5,135.84	* CBOT Soy Sep cents / bushel 08:00 today vs. CBOT Soy Sep 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 Sep 16	333.00	-1.00	↓	-0.3%	334.00	↑	2%	326.50	↓	-1%	334.75	↓	-16%	395.50
Wheat Sep 16	415.00	-12.00	↓	-2.8%	427.00	↓	-2%	422.00	↓	-3%	429.00	↓	-21%	526.75
Soybeans Sep 16	1035.00	8.00	↑	0.8%	1027.00	↑	1%	1023.75	↑	5%	983.75	↑	19%	870.75
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)														
SORGHUM Jul 16	3435.00	0.00	↑	0.0%	3435.00	↑	0.0%	3435	↓	-3.2%	3550			NA
WMAZ Spot	4264.00	-33.00	↓	-0.8%	4297.00	↑	4.0%	4101	↓	-0.4%	4280	↑	40.4%	3038
WMAZ Sep 16	4279.00	-40.00	↓	-0.9%	4319.00	↑	4.0%	4114	↓	-0.9%	4317	↑	41.5%	3024
YMAZ Spot	3187.00	26.00	↑	0.8%	3161.00	↑	3.0%	3093	↓	-2.6%	3271	↑	17.5%	2712
YMAZ Sep 16	3190.00	12.00	↑	0.4%	3178.00	↑	2.1%	3123	↓	-3.7%	3311	↑	18.1%	2702
SOY Spot	6499.00	147.00	↑	2.3%	6352.00	↑	1.7%	6391	↓	-4.6%	6811	↑	29.3%	5025
SOY Sep 16	6470.00	99.00	↑	1.6%	6371.00	↑	0.7%	6425	↓	-5.8%	6870	↑	29.4%	5000
SUN Spot	5893.00	-7.00	↓	-0.1%	5900.00	↑	1.6%	5799	↑	2.1%	5769	↑	9.3%	5393
SUN Sep 16	5920.00	-10.00	↓	-0.2%	5930.00	↑	1.4%	5841	↑	1.5%	5831	↑	4.5%	5666
WHEAT Spot	4293.00	3.00	↑	0.1%	4290.00	↑	5.5%	4068	↓	-2.9%	4420	↑	1.4%	4232
WHEAT Dec 16	4262.00	-11.00	↓	-0.3%	4273.00	↑	4.0%	4098	↓	-3.2%	4403	↑	2.5%	4159

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

Market: The rand trades around R13.51 to the dollar this morning, stronger than the R13.61/\$ of yesterday 12:00. One of the main drivers of the exchange rate at this point is the uncertainty of what the decision of the US Federal Reserve Bank would be regarding the possible interest rate hikes. According to statements the Bank an increase in interest rates are still likely to happen. The dollar is strengthening, while the value of the emerging markets currency is depreciating. The gold price as well as prices of other metals also became under pressure. The Brent Crude oil prices traded lower.

Maize international: The CBOT maize prices closed a little lower yesterday ending the six day run of higher prices. Rain are predicted in the Midwest for the week, but according to the local traders there are sufficient moisture up to harvesting time, which may start in middle September. The USDA crop progress report released yesterday, increase the maize rating to 75% good to excellent from the 74% last week. This is also higher than the 69% of last year this time. The US expects a record crop for the 2016/2017 season of around 384 million tons. The cash market was fairly quiet yesterday. The farmers are selling some of the old crop stock to start making storage space available before the new crop harvesting starts. In Argentina the maize planting is under way. Rain in the regions is favourable for the young plants. More hectares of maize will be planted in Argentina as the agricultural policies favours the production of maize. The lower oil prices also contributed to the pressure on the maize price. **Local:** The local market traded strongly initially in the morning, but later the market starts to traded downwards and ended the day lower for all white maize contracts. The yellow maize contracts traded slowly with not large price movements that were seen. The latest import and export figures are released later today by SAGIS, with the producer deliveries tomorrow and the new crop estimates on Thursday.

Soybeans International: The US soybeans closed higher after increases in export sales and export shipments. The daily export sales of the new crop were relative high this month with the biggest sales to China and unknown destinations. The export sales topped the trade forecasts and exceeded the amount needed to reach the USDA annual projections. The cash bids at the Gulf were higher this week after being lower earlier this month due to flooding in the Gulf. The soybean crop conditions were left unchanged from last week at 72% good to excellent. This remains higher than the 63% of last year this time. The expectations are that the soybeans also have sufficient soil moisture to get to harvesting. **Local:** The local soybean market closed strongly upwards in yesterday's trading session. The local prices are supported by the international price that are in a bullish phase and the weakening of the exchange rate.

Wheat International: The wheat markets closed mostly lower with the hard red winter wheat that showed the largest losses. The weekly export inspections were lower than the previous week, but still trade forecasts with Taiwan and Colombia taking the most. The large world supplies keep pressure on the wheat prices. Wheat production in Romania is 7% higher than last year and they experienced the highest yields in 10 years. The spring wheat harvesting is looking good with the latest report that showed the spring wheat harvesting is 65% done. This is 19% higher than the 5 year average pace at this stage of the season. **Local:** The local wheat market traded slowly yesterday with not many movements that was seen in the wheat prices. The publication of the wheat import tariff take a lot of uncertainties out of the wheat market.

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

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

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