

Grain SA's Morning Grain Market Commentary

GRAIN SA GRAAN SA	DATE	DATE			+ - LAST WEEK		+ - LAST MONTH		+ - LAST YEAR					
	2017/06/23	2017/06/22			2017/06/12		2017/05/22		2016/06/21					
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data				
DJIA-index	21397	-12.74	↓	-0.1%	21410	↑	0.6%	21272	↑	2.8%	20805	↑	2.1%	17675
Goud (Spot)	1252.52	-0.09	↓	0.0%	1252.61	↓	-0.2%	1267.62	↑	0.0%	1252.39	↓	-0.5%	1285.08
Brent \$/vat	45.93	1.22	↑	2.7%	44.71	↓	-2.2%	48.45	↓	-5.0%	54.04	↓	-5.5%	49.10
1 € / US\$	1.1167	0.000	↑	0.0%	1.1167	↓	-0.4%	1.1212	↓	-0.2%	1.1189	↓	-0.3%	1.1205
1 US\$ / ZAR	12.95	-1.040	↓	-7.4%	13.99	↑	0.7%	12.86	↓	-2.0%	13.21	↓	-5.3%	15.29
Corn	R 1 845.53	-25	↓	-1.4%	R 1 871.02									
Wheat	R 2 193.58	-166	↓	-7.0%	R 2 359.46									
Soybeans	R 4 301.51	-417	↓	-8.8%	R 4 718.93									
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	362.00	-5.00	↓	-1.4%	367.00	↓	-0.6%	387.00	↓	-3%	372.00	↓	-20%	453.50
Wheat May '17	461.00	2.00	↑	0.4%	459.00	↑	4%	445.00	↑	6%	435.00	↓	-16%	549.75
Soybeans May '17	904.00	-14.00	↓	-1.5%	918.00	↓	-4%	941.00	↓	-5%	953.00	↓	-17%	1089.75
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)														
SORGHUM Jul '17	2700.00	-57.00	↓	-2.1%	2757.00	↓	-5.3%	2850.00	↓	-9%	2900.00	↓	-23.3%	3765.00
WMAZ Spot	1727.00	-27.00	↓	-1.5%	1754.00	↓	-2.3%	1768.00	↓	-6%	1791.00	↓	-64.9%	4916.00
WMAZ July 17	1734.00	-28.00	↓	-1.6%	1762.00	↓	-0.0%	1788.00	↓	-2%	1792.00	↓	-47.9%	3326.00
WMAZ Sept 17	1795.00	-21.00	↓	-1.2%	1816.00	↓	-0.9%	1848.00	↓	-1%	1852.00	↓	-65.9%	4979.00
YMAZ Spot	1865.00	-17.00	↓	-0.9%	1882.00	↓	-1.7%	1897.00	↓	-1.4%	1891.00	↓	-50.8%	3792.00
YMAZ July 17	1876.00	-16.00	↓	-0.8%	1892.00	↓	-1.1%	1917.00	↓	-1.9%	1912.00	↓	-42.1%	3241.00
YMAZ Sept 17	1918.00	-21.00	↓	-1.1%	1939.00	↓	-2.7%	1972.00	↓	-2.6%	1970.00	↓	-50.4%	3870.00
SOY Spot	4534.00	-55.00	↓	-1.2%	4589.00	↓	-0.2%	4543.00	↓	-2%	4682.00	↓	-42.5%	7886.00
SOY July 17	4558.00	-54.00	↓	-1.2%	4612.00	↓	-0.7%	4588.00	↓	-2%	4757.00	↓	-42.5%	7921.00
SUN Spot	4445.00	-45.00	↓	-1.0%	4490.00	↓	-1.9%	4530.00	↓	-1%	4685.00	↓	-33.2%	6655.00
SUN July 17	4466.00	-52.00	↓	-1.2%	4518.00	↓	-0.6%	4587.00	↓	-2%	4800.00	↓	-33.4%	6705.00
WHEAT Spot	4480.00	15.00	↑	0.3%	4465.00	↓	-0.1%	4484.00	↑	0.7%	4450.00	↓	-6.4%	4787.00
WHEAT July 17	4404.00	-18.00	↓	-0.4%	4422.00	↓	-1.2%	4458.00	↑	0.2%	4397.00	↓	-8.7%	4824.00
WHEAT Dec 17	4177.00	7.00	↑	0.2%	4170.00	↓	-0.5%	4196.00	↓	-0.5%	4200.00	↓	-11.9%	4743.00

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

Market Overview: The rand is trading slightly stronger than the level seen at midday yesterday. There was not much volatility in the rand which weakened on Monday following currency law changes suggested by the Public Protector. At the time of writing, the rand was trading at around R13.05 to the dollar. On the commodities front; fuel prices are expected to decline in July and this can be attributed to a stable currency against the dollar as well as movements in the international prices. Brent crude oil prices continued to extend losses, now trading below the US\$45 mark and this is largely attributed to rising global supply, placing pressure on prices. At the time of writing, Brent crude oil was trading at around US\$44.71 per barrel.

Maize: US maize prices dropped to a three-week low following weather reports indicating that more storms are expected in the Midwest today. The July and December contract are trading under key moving averages, mainly pressured by the wet conditions. This beneficial rain will help crops, following very hot temperatures in the past week. Attention remain on how the weather will play out in the maize production areas, while the Tropical Storm Cindy is expected to produce heavy rains which also creates a concern that too much rain could damage crops. The USDA weekly export sales will be released today and figures are expected to be higher than a week ago which is likely to support prices. **Local:** The local maize prices traded mostly unchanged yesterday with the prices of both white and yellow maize that posted only small gains. The producer deliveries for the season are taking place at a good pace and according to the latest SAGIS producer delivery report released yesterday the WM deliveries for the week were 610 221 ton and the YM deliveries for the week were 486 128 ton. The total maize deliveries for the 2017/18 marketing season this far is 5.315 million ton. This do not include the early deliveries for the season that were delivered during March and April 2017.

Soybeans: The US soybean market traded lower yesterday and the market closed under some key moving averages and at the lowest level since the first of June. The market traded lower mainly due to the weather forecast which is favourable for the production of soybeans. The wet weather forecast may have triggered more short selling in the soybean market, after the funds in the USA had reduced their net short position in the market last week. The weather conditions in the US will be watched since the weather conditions will be critically for the soybean production. There are currently ample of world stocks available and Farm Futures expects that the area of soybeans planted are likely to be more than what is currently estimated by the USDA. The report on the plantings are due next week. The expectation in the market for the weekly export sales are that it will be more or less the same than last week's figures. **Local:** The local soybean market were mainly under pressure yesterday and traded lower for the day after it posted some good gains on Tuesday. The local prices still trades below the derived price and the crushing margin is positive. This will enhance the pace of the local crushing and this figure will be watched in next week's monthly SAGIS report.

Wheat: The US wheat markets closed lower to take a break from the recent gains that were seen in the market. The rain that are forecasted should be favourable for the spring wheat, while the winter wheat harvesting could be slowed down by the rain. The spring wheat crop conditions is currently very low and that supported the US wheat market prices. The recent rains were reported to helped the spring wheat planted in Dakota. The seven day weather forecast indicates some light rain showers over large parts of the Dakota's, while there are also rain expected in Kansas where the harvesting of winter wheat is under way. Reports from the EU shows that hot and dry weather may cause some problems with the wheat crops in France and Spain, while the crop in Germany is doing well. Germany is the second largest wheat producer in the EU. The EU wheat markets is also mainly a bit lower after some gains were seen recently. The weekly export sales from the US are expected to be similar to, or a bit higher than last week's exports. **Local:** The local wheat market traded mostly lower to unchanged yesterday with relatively small price movements that were seen in the market. The local prices traded currently relatively good in line with the import parity prices and the pace of the imports will be watched for the rest of the season as the pace are currently behind the expected needs.

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

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

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