

Grain SA's Morning Grain Market Commentary

DATE 2018/05/23	DATE 2018/05/22		+ - LAST WEEK 2018/05/14		AT THE MONEY PUT OPTION		
	Δ	Δ%	Δ	Δ%	WM	YM	TM
DJIA-index	24834	-178.88 ↓	-0.7%	25013	0.0%	24831	
Goud (Spot)	1292.8	4.20 ↑	0.3%	1288.6	-2.0%	1319.66	
Brent \$/vat	79.31	-0.08 ↓	-0.1%	79.39	3.0%	76.97	
1 € / US\$	1.1762	-0.01 ↓	-0.5%	1.1816	-1.4%	1.1935	
1 US\$ / ZAR	12.61	0.090 ↑	0.7%	12.52	2.8%	12.27	
Corn	R 2 008.55	14 ↑	0.7%	R 1 994.22	*CBOT Corn Jul cents / bushel 08:00 today vs. CBOT Jul 12:00 the previous day		
Wheat	R 2 415.85	53 ↑	2.2%	R 2 362.72	*CBOT Wheat Jul cents / bushel 08:00 today vs. CBOT Wheat Jul 12:00 the previous day		
Soybeans	R 4 774.24	57 ↑	1.2%	R 4 717.16	*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)					WEEK NR. 3		
Corn Jul 18	404.60	0.00 ↑	0.0%	404.60	Daily parity prices delivered in Randfontein		
Wheat Jul 18	521.40	7.80 ↑	1.5%	513.60	WEEK TOTAL		
Soybeans Jul 18	1030.40	5.00 ↑	0.5%	1025.40	YTD TOTAL		
Latest MTM prices (SPOT = nearest contract month (Rand / ton))					EXPORTABLE		
SORGHUM May '18	3103.00	0.00 ↑	0.0%	3103.00	YTD AS % OF EXPORTABLE		
WMAZ May 18	2119.00	-24.00 ↓	-1.1%	2143.00	PACE/WEEK NEEDED		
WMAZ Jul 18	2133.00	-38.00 ↓	-1.8%	2171.00	MIELIE PRODUSENTE LEWERINGS		
WMAZ Sep 18	2179.00	-42.00 ↓	-1.9%	2221.00	WEEK TOTAAL		
YMAZ May 18	2204.00	-31.00 ↓	-1.4%	2235.00	JTD TOTAAL		
YMAZ Jul 18	2233.00	-39.00 ↓	-1.7%	2272.00	NOK SKATTING + REGSTELLINGS		
YMAZ Sep 18	2280.00	-37.00 ↓	-1.6%	2317.00	% GELEWER VAN OES		
SOY May 18	4520.00	-60.00 ↓	-1.3%	4580.00	TEMPO /WEEK BENODIG		
SOY Jul 18	4592.00	-53.00 ↓	-1.1%	4645.00	2017/18		
SUN May 18	4580.00	-32.00 ↓	-0.7%	4612.00	2016/17		
SUN Jul 18	4662.00	-40.00 ↓	-0.9%	4702.00	5 Yr. AVG		
WHEAT May 18	3909.00	32.00 ↑	0.8%	3877.00	WEEK TOTAL		
WHEAT Jul 18	3949.00	9.00 ↑	0.2%	3940.00	YTD TOTAL		
WHEAT Sep 18	3915.00	-9.00 ↓	-0.2%	3924.00	TOTAL NEEDED		
					YTD AS % OF NEEDED		

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

Market Overview: The rand traded at R12.61 / \$ this morning and has weakened from the level at which it traded at market closing on yesterday afternoon. The rand has largely traded with the same unpredictability and volatility over the past month as was seen for the largest parts of the previous two years. This makes the decision making of marketing difficult and also poses several risks, such as the possibility of higher inflation rates being part of. Most of the local currency movements for the month can largely be attributed to international factors, as the rand is currently very sensitive to these factors. Factors such as the lower yields on US government bonds, have weakened the dollar, the reduced tension between the US and China as a result of trade agreements supported all the currencies of the emerging markets. Statistics SA will announce the local rate of inflation for April, which will be the first figures after the higher rate of VAT. The SARB makes its interest rate decision known tomorrow and the inflation rate will play an important role in the SARB's decision.

Maize: The American maize market found support yesterday and traded higher for the day mainly because of the spillover effect from other markets under which the wheat market played a significant role. The American plantings for the 2018 season started very slowly at first and it was considerably later than usual, but the plantings have shown very good progress over the last two weeks. The year to date plantings are currently reported at 81% completed, equivalent to the 5 year average planting rate at this time of the season. Last year at the same time of the season, the plantings were 82% completed. The amount of plantings that has already emerged is also more than 5 years average at this time of the season. In Argentina, grain production for the season has been mainly under pressure due to the dry conditions that dominated most of the production season, but it is expected that about 11% more maize could be planted in the following season Argentine production may be at a new record in the next season if normal production conditions prevail. In Ukraine, it is expected that maize exports should be good for the 2018/19 season and there is a positive attitude towards it. Among other destination, Ukraine is one of the origins that SA competes for exports to countries such as Spain, which took some of our local white maize recently. **Local:** The local maize market was sharply under pressure yesterday and traded lower for the day in most of the contract months of both white and yellow maize currently listed. The parities were also negative yesterday and put pressure on local prices. Yesterday's weekly SAGIS in- and export report did not report major exports for the week with WM exports reported at 8,221 tons for the week, all reported to our neighboring countries, while YM exports reported 2,198 tons for the week, also mainly to our neighboring countries. The total exports after week 3 of the 2018/19 marketing season are 91 879 tons.

Soybeans: The American soybean market continued on the previous day's strong run in the market and closed the day higher in yesterday's trading session. The US market was largely supported by the optimism that the trade agreements between the US and China will be beneficial and will again encourage trade between these two countries of soybeans. The market has also found support due to the strike of truckers in Brazil over the high fuel prices that delay export exports from Brazil. In the USA, soybean plantings have progressed well last week and the plantings for the season have so far been completed at 56%, which is significantly better than the 5-year average rate of 44% completed at this time of the season and the 50% completed last season. The amount of soybeans that has already emerged is reported at 26%, which is significantly more than the 17% of last season and the 5-year average of 15% at this time of the season. **Local:** The local soybean market traded sharply lower yesterday in all of the contract months currently listed. The soybeans harvesting process has already been completed or is close to completion in most parts of the country and generally it seems that the yields for the season was quite well. The large local soybean stock levels will be an important point to keep track of as well as the rate of processing. The latest monthly SAGIS information will be announced on Friday and will give a good indication of these two factors.

Wheat: The American wheat markets found good support yesterday with many buyers who had been in the market for the day with concerns about adverse weather conditions in the US plains. All three American wheat markets that include both the winter wheat markets as well as the spring wheat market have traded higher for the day. In the USA, the main focus is currently on the plantings of the spring wheat, as well as the production conditions of the winter wheat. In the latest USDA weekly production progress report the spring wheat plantings are reported at 79% completed, which is only 1% slower than the 5-year average rate of 80% completed at this time of the season. The winter wheat production conditions have remained unchanged from last week and are estimated at 36% good to excellent. In the European Union it is expected that wheat yields for the season would be slightly lower than last season's yields and was revised lower. China sold almost 4 000 tons of their State Reserve wheat on an auction which was approximately 0.2% of the total offered for sale at the auction. **Local:** The local wheat market found support yesterday and traded higher for the day in most of the contract months currently listed. In yesterday's weekly SAGIS import and export report, wheat imports for the week were recorded at 66 614 tons and total imports for the season to date are 1,236 million tons, reflecting approximately 64% of the total import requirements for the season.

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

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