

Grain SA's Morning Grain Market Commentary

DATE 2018/04/24	DATE 2018/04/23		+ - LAST WEEK 2018/04/16		AT THE MONEY PUT OPTION					
	Δ	Δ%	Δ	Δ%	WM	YM				
DJIA-index	24463	-202.00 ↓	-0.8%	24665	-0.1%	24483	JULY '18 FUTURES PRICE R 2 052.00 R 2 141.00			
Goud (Spot)	1327.26	-7.30 ↓	-0.5%	1334.56	-1.4%	1346.3	PUT STRIKE PRICE R 2 060.00 R 2 220.00			
Brent \$/vat	74.87	0.80 ↑	1.1%	74.07	4.2%	71.85	PUT PREMIUM R 79.86 R 128.41			
1 € / US\$	1.2216	0.00 ↓	-0.1%	1.2234	-0.9%	1.2331	MINIMUM SAFEX PRICE R 1 980.14 R 2 091.59			
1 US\$ / ZAR	12.32	0.090 ↑	0.7%	12.23	2.1%	12.07				
Corn	R 1 833.35	13 ↑	0.7%	R 1 819.95			*CBOT Corn Mei cents / bushel 08:00 today vs. CBOT May 12:00 the previous day			
Wheat	R 2 086.87	-7 ↓	-0.3%	R 2 094.09			*CBOT Wheat Mei cents / bushel 08:00 today vs. CBOT Wheat May 12:00 the previous day			
Soybeans	R 4 612.83	-16 ↓	-0.3%	R 4 628.57			*CBOT Soy Mei cents / bushel 08:00 today vs. CBOT Soy May 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 May 18	378.00	0.00 ↑	0.0%	378.00	50			WM	YM	TM
Wheat May 18	461.00	-5.00 ↓	-1.1%	466.00	WEEK TOTAL			15 564	3 444	19 008
Soybeans May 18	1019.00	-11.00 ↓	-1.1%	1030.00	YTD TOTAL			749 913	1 414 018	2 163 931
Latest MTM prices (SPOT = nearest contract month (Rand / ton))					EXPORTABLE			2 500 000	1 850 000	4 350 000
SORGHUM Mar '18	3130.00	0.00 ↑	0.0%	3130.00	YTD AS % OF EXPORTABLE			30%	76%	50%
WMAZ Spot	2004.00	10.00 ↑	0.5%	1994.00	PACE/WEEK NEEDED			875 044	217 991	1 093 035
WMAZ Jul 18	2052.00	8.00 ↑	0.4%	2044.00				MAIZE PRODUCER DELIVERIES		
WMAZ Sept 18	2102.00	10.00 ↑	0.5%	2092.00	WEEK TOTAL					
YMAZ Spot	2106.00	11.00 ↑	0.5%	2095.00	YTD TOTAL					
YMAZ Jul 18	2141.00	8.00 ↑	0.4%	2133.00	CEC ESTIMATE + ADJUSTMENTS					
YMAZ Sept 18	2193.00	7.00 ↑	0.3%	2186.00	% CROP DELIVERED					
SOY Spot	4629.00	41.00 ↑	0.9%	4588.00	PACE/WEEK NEEDED			-	-	-
SOY Jul 18	4723.00	41.00 ↑	0.9%	4682.00				WHEAT IMPORTS		
SUN Spot	4605.00	2.00 ↑	0.0%	4603.00	2017/18			2016/17	5 Yr. AVG	
SUN Jul 18	4720.00	17.00 ↑	0.4%	4703.00	WEEK TOTAL			-	-	26 794
WHEAT Spot	3895.00	48.00 ↑	1.2%	3847.00	YTD TOTAL			1 157 865	387 007	882 057
WHEAT Jul 18	3920.00	38.00 ↑	1.0%	3882.00	TOTAL NEEDED			2 000 000	930 728	1 622 999
WHEAT Dec 18	3892.00	42.00 ↑	1.1%	3850.00	YTD AS % OF NEEDED			58%	41.6%	54%

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

Market overview: The rand is trading at R12.32/\$ this morning and lost some ground from the levels it traded on yesterday afternoon with market closing when it traded at R12.32/\$. The pressure on the rand is mostly due to positive US economic factors that place the currency of most of the emerging markets under pressure. The US stock market found some good support and traded higher and the dollar strengthened. The Brent crude oil prices also traded higher and that placed the rand under further pressure. In the local economic market the main focus for the week will be on the consumer confidence and the producer price index which is both released later this week. The consumer confidence report for the first quarter of 2018 will be released by FNB/Bureau for Economic Research on Wednesday. The general expectation in the market is that the consumer confidence might be slightly better as the levels that were seen in the final quarter of 2017 with the overall more positive market sentiment that were seen in the local market. The producer price index (PPI) figures for March will be released by Stats SA on Thursday with most market analysts that are of meaning that the PPI would follow the same tendency as the CPI and are likely to be lower for March.

Maize: The US maize market had a mixed trading session yesterday, but found some support as the day progressed with some positive export data that were reported and a slow start of the planting season. Both the May and July futures contract closed slightly higher yesterday. In the latest USDA weekly crop progress report the maize plantings for the season was 5% completed at the end of last week. This is well behind the 5 year average for this time of the season which is 14% complete and also well behind the pace that were seen the same time of the season last year when the plantings were reported to be 15% done. The US maize export inspections for the week reached 1.72 million ton which was higher than the previous week's 1.57 million ton. The weekly export sales were also higher than the average trade estimates in the market and higher than the weekly pace needed in order to meet the annual USDA forecast for the season. South Korea was the biggest buyer of US maize last week and accounted for around 274 000 tons of the export sales. The main focus in the international market will remain on the planting progress in the US which is currently behind the average pace mostly due to wet and cold weather conditions. **Local:** The local maize market found support yesterday and traded mostly higher for the day in all of the contract months of both white and yellow maize which is listed currently. The price movements that were seen in the market weren't large as most of the contract months closed less than R10/ton higher for the day. The harvesting of the local maize has started in some areas and the new season's crop would start to enter the market at a faster pace in the next few weeks. The latest monthly SAGIS report and the 3rd crop estimates of summer grains will be released on Wednesday. This reports will give more insight on what may be expected for the rest of the season.

Soybeans: US soybean prices ended the day lower for the 4th straight session, pressured by lower soybean export inspections for the week ending April 19th. China, which has widely been known as the leading buyer of US soybeans has begun drawing back its purchases recently and there has been a general concern on slower soybean exports. Last week's soybean export guesses ranged between 300 000 and 600 000 tons, which is a low trade expectation for the crop. The actual sales amounted to 471 000 tons which is slightly higher than the week prior's 446 000 tons. China only accounted for a little less than one-half of the total amount, at 127 912 tons. According to the latest USDA weekly crop progress report the soybean plantings for the season was reported to be 2% done, which is in line with the average planting range at this time of the season. **Local:** South African soybean prices closed the day in the positive territory for almost all contract months, while later contract months ended the day unchanged. The soybean prices found support from a weaker rand, while ignoring the pressure international prices. The current soybean crop which is planted has benefited largely from the recent rains seen during the production stage and tomorrow the CEC will release its 3rd production forecast which will provide an idea on how those rains impacted overall production expectations. Sunflower prices posted modest gains, with most of the contract months remaining unchanged.

Wheat: US wheat prices endured another day off losses, after suffering a 1.9% decline in last week's overall trade due to precipitation forecasts in the winter wheat production areas. The hard red winter wheat was the exception, ending slightly higher in small gains while both soft red and spring wheat remained under pressure. Wheat exports for the week ending 19 April bested trade expectations, coming in at 619 000 tons, beating trade forecasts which ranged between 350 000 and 550 000 tons. The weekly sales were also higher than the week prior's sales of 505 000 tons. Japan was the leading destination, importing a total of 117 026 tons. Elsewhere, export demand is a little slow, with Russia's grain exports for April estimated to come in just slightly below the March totals, slipping down 1.2% month-on-month. USDA reported that the US wheat was 31% good/excellent, unchanged from the week prior. Spring wheat is currently 3% planted, also remaining unchanged from the week prior. **Local:** South African wheat prices ended the day higher, obtaining support from a weaker rand. All contract months posted significant gains, with the spot and July contract ending the day higher by 1.2% and 1% at R3 895 and R3 920 per ton.

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

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