


Grain SA's Morning Grain Market Commentary

	DATE 2018/06/25	DATE 2018/06/22				+ - LAST WEEK 2018/06/18		AT THE MONEY PUT OPTION			
	Data	Δ		Δ%	Data	Δ%	Data		WM	YM	
DJIA-index	24581	119.19	↑	0.5%	24462	↓	-2.0%	25090	DEC '18 FUTURES PRICE	R 2 217.00	R 2 313.00
Goud (Spot)	1267.05	2.19	↑	0.2%	1264.86	↓	-1.0%	1279.92	CALL STRIKE PRICE	R 2 220.00	R 2 320.00
Brent \$/vat	74.13	1.14	↑	1.6%	72.99	↑	1.6%	72.96	CALL PREMIUM	R 130.61	R 126.96
1 € / US\$	1.1645	0.00	↓	-0.1%	1.1658	↑	0.4%	1.1596	BREAKEVEN SAFEX PRICE	R 2 089.39	R 2 193.04
1 US\$ / ZAR	13.47	-0.040	↓	-0.3%	13.51	↑	0.3%	13.43			
Corn	R 1 869.79	-40	↓	-2.1%	R 1 909.38						
Wheat	R 2 606.34	-8	↓	-0.3%	R 2 614.08						
Soybeans	R 4 380.20	-14	↓	-0.3%	R 4 394.20						
Latest CBOT prices during overnight trading (Recorded between 6 a.m. to 07:00 am vs 12:00 pm the previous trading)											
Corn July 18	352.60	-6.40	↓	-1.8%	359.00				WEEK NR.		
Wheat July 18	526.60	0.00	↑	0.0%	526.60				8		
Soybeans July 18	885.00	-0.20	↓	0.0%	885.20						
Latest MTM prices (SPOT = nearest contract month (Rand / ton))						Import parity		MAIZE EXPORTS			
Sorghum Jul '18	3180.00	70.00	↑	2.3%	3110.00	3774.00	2079.00	WEEK TOTAL	4 612	80 030	84 642
WMAZ Spot	2080.00	4.00	↑	0.2%	2076.00	4054.00	1950.00	YTD TOTAL	69 172	328 753	397 925
WMAZ Sep 18	2145.00	6.00	↑	0.3%	2139.00	3426.00	1950.00	EXPORTABLE	1 550 000	2 455 000	4 005 000
WMAZ Dec 18	2217.00	-1.00	↓	0.0%	2218.00	3478.00	2007.00	YTD AS % OF EXPORTABLE	4%	13%	10%
YMAZ Spot	2185.00	2.00	↑	0.1%	2183.00	3426.00	1950.00	PACE/WEEK NEEDED	33 655	48 324	81 979
YMAZ Jul 18	2233.00	0.00	↑	0.0%	2233.00	3426.00	1950.00	MAIZE PRODUCER DELIVERIES			
YMAZ Sep 18	2313.00	-4.00	↓	-0.2%	2317.00	3478.00	2007.00	WEEK TOTAL	265 391	494 954	760 345
SOY spot	4348.00	-10.00	↓	-0.2%	4358.00	6441.00	4384.00	YTD TOTAL	902 712	1 581 214	2 483 926
SOY Sep 18	4438.00	-10.00	↓	-0.2%	4448.00	6440.00	4373.00	CEC FORECAST + ADJUSTMENT	6 379 660	5 797 150	12 176 810
SUN Spot 18	4673.00	5.00	↑	0.1%	4668.00	6438.00	4905.00	% OF HARVESTED DELIVERIES	14%	27%	20%
SUN Jul 18	4807.00	2.00	↑	0.0%	4805.00	6438.00	4905.00	PACE/WEEK NEEDED	152 137	117 109	269 247
WHEAT July 18	3987.00	-3.00	↓	-0.1%	3990.00	4258.00	3938.00	WHEAT IMPORTS			
WHEAT Sep 18	4066.00	-10.00	↓	-0.2%	4076.00	4412.00	4095.00	2017/18	2016/17	5 Yr. AVG	
WHEAT Dec 18	4041.00	-8.00	↓	-0.2%	4049.00	4960.00	4646.00	WEEK TOTAL	1 033 828	-	18 080
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS								YTD TOTAL	1 434 968	555 242	1 058 307
								TOTAL NEEDED	1 930 000	930 728	1 622 999
								YTD AS % OF NEEDED	74%	60%	65%
<p>Market Overview: The rand is trading at R13,47/\$ and the dollar is flat compared to the levels seen at close of SAFEX on Friday afternoon. It firmed slightly on Friday during early trade despite the widening current account deficit reaching its best level for the week. The South African Reserve bank announced that the South African current account deficit had widened to 4.8% of the GDP, which caused the local currency to weaken at first. The strengthening of the rand was due to global factors such as weak US manufacturing data. World stock markets rose on Friday despite global trade wars that got underway when Brussels slapped retaliatory tariffs on the US; this is something to look out for during this coming week. Oil prices continue to rise after Organisations of the exporting countries said members agreed on an output increase of one million barrels per day that Saudi Arabia had put forward at a meeting in Vienna. Crude oil is trading at \$74,13/barrel this morning.</p> <p>Maize: US maize prices finished the day slightly lower on Friday due to light technical movement, July futures lost 0.6% last week, making it the fourth consecutive week of losses. Private exporters reported two large maize sales to the USDA. The first was for 117 000 tons to Panama for 2018/2019 marketing year-beginning September 1, and the second was 131 300 tons for delivery to Mexico. France continues to lower their assessment of the 2018 maize crop; the current estimate is 72% as of June 18, down from 74% the prior week. China sold another 739 179 tons of its maize state reserves at an auction on Friday, which is 18.6% of the total available for sale. Local: Local maize prices opened the day lower on Friday with some buying interest seen after opening. July white maize started at R2072, and then went to a high of R2087, pulling these highs towards the close.</p> <p>Soybeans: See weekly oilseed report</p> <p>Wheat: US wheat prices continue with up and down movements this month, sinking another 1% more on Friday. Harvesting is a bit slow in the US winter wheat areas due to heavy rainfall; forecasts show more rainfall in Kansas and Oklahoma during this week. Ukraine's winter harvest season is underway and it is about 3.6% complete. Ukraine's agricultural ministry says that the harvest could go up to 26 million tons for 2018/2019 with about 17 million tons available for export. Due to dry conditions, France has lowered their assessment of their Durum wheat to an estimated 68% that is in a good to excellent condition, compared to 72% a week ago. The estimates for France's soft red wheat moved from 76% in good to excellent condition to 75% as of 18 June. Local: Local wheat contracts opened the day lower with more selling seen after the opening. July contact started the day at R3989, selling off to a low of R3976 and the day closed at opening levels.</p>											
<p>Domestic Market Insights & Data: www.grainsa.co.za / www.sagis.co.za International Market Insights & Data: www.usda.co.za</p> <p>Compiled by: Luan van der Walt and Ikageng Maluleke For any queries, contact Ikageng@grainsa.co.za Thank you for the Maize Trust for partially funding this project</p>											