

Grain SA's Morning Grain Market Commentary

| DATE 2018/05/25 | DATE 2018/05/24 | | + - LAST WEEK 2018/05/14 | | AT THE MONEY PUT OPTION | | | | |
|--|--------------------|----------|-----------------------------|------------|--|---------|-----------------------------|------------|------------|
| | Δ | Δ% | Data | Δ% | Data | WM | YM | | |
| DJIA-index | 24812 | -75.05 ↓ | -0.3% | 24887 | -0.1% | 24831 | JULY '18 FUTURES PRICE | R 2 157.00 | R 2 260.00 |
| Goud (Spot) | 1302.26 | 7.16 ↑ | 0.6% | 1295.1 | -1.3% | 1319.66 | PUT STRIKE PRICE | R 2 160.00 | R 2 260.00 |
| Brent \$/vat | 78.88 | -0.67 ↓ | -0.8% | 79.55 | 2.5% | 76.97 | PUT PREMIUM | R 62.98 | R 60.42 |
| 1 € / US\$ | 1.1705 | 0.00 | -0.2% | 1.1724 | -1.9% | 1.1935 | MINIMUM SAFEX PRICE | R 2 097.02 | R 2 199.58 |
| 1 US\$ / ZAR | 12.42 | 0.000 ↑ | 0.0% | 12.42 | 1.2% | 12.27 | | | |
| Corn | R 1 976.33 | -34 ↓ | -1.7% | R 2 010.56 | *CBOT Corn Jul cents / bushel 08:00 today vs. CBOT Jul 12:00 the previous day | | | | |
| Wheat | R 2 419.60 | -37 ↓ | -1.5% | R 2 457.03 | *CBOT Wheat Jul cents / bushel 08:00 today vs. CBOT Wheat Jul 12:00 the previous day | | | | |
| Soybeans | R 4 726.03 | -64 ↓ | -1.3% | R 4 789.92 | *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. | | MAIZE EXPORTS | | |
| Corn July 18 | 404.20 | -7.00 ↓ | -1.7% | 411.20 | 3 | WM | YM | TM | |
| Wheat July 18 | 530.20 | -8.20 ↓ | -1.5% | 538.40 | Daily parity prices delivered in Randfontein | | | | |
| Soybeans July 18 | 1035.60 | -14.00 ↓ | -1.3% | 1049.60 | WEEK TOTAL | | | | |
| Latest MTM prices (SPOT = nearest contract month (Rand / ton)) | | | | | EXPORTABLE | | | | |
| SORGHUM May '18 | 3103.00 | 0.00 ↑ | 0.0% | 3103.00 | 3554.00 | 1674.00 | YTD AS % OF EXPORTABLE | | |
| WMAZ May 18 | 2146.00 | 18.00 ↑ | 0.8% | 2128.00 | 3581.00 | 1899.00 | 5% | 0% | 2% |
| WMAZ Jul 18 | 2157.00 | 17.00 ↑ | 0.8% | 2140.00 | 3556.00 | 1874.00 | PACE/WEEK NEEDED | | |
| WMAZ Sep 18 | 2207.00 | 15.00 ↑ | 0.7% | 2192.00 | 3598.00 | 1915.00 | MIELIE PRODUSENTE LEWERINGS | | |
| YMAZ May 18 | 2224.00 | 6.00 ↑ | 0.3% | 2218.00 | 3492.00 | 1774.00 | 64 090 | 80 473 | 144 563 |
| YMAZ Jul 18 | 2260.00 | 14.00 ↑ | 0.6% | 2246.00 | 3556.00 | 1874.00 | JTD TOTAAL | | |
| YMAZ Sep 18 | 2305.00 | 14.00 ↑ | 0.6% | 2291.00 | 3598.00 | 1915.00 | 206 570 | 271 553 | 478 123 |
| SOY May 18 | 4548.00 | 14.00 ↑ | 0.3% | 4534.00 | 6537.00 | 4267.00 | NOK SKATTING + REGSTELLINGS | | |
| SOY Jul 18 | 4615.00 | 13.00 ↑ | 0.3% | 4602.00 | 6537.00 | 4259.00 | 6 379 660 | 5 797 150 | 12 176 810 |
| SUN May 18 | 4584.00 | -1.00 ↓ | 0.0% | 4585.00 | 6013.00 | 4246.00 | % GELEWER VAN OES | | |
| SUN Jul 18 | 4662.00 | 2.00 ↑ | 0.0% | 4660.00 | 6537.00 | 4259.00 | 3% | 5% | 4% |
| WHEAT May 18 | 3914.00 | -21.00 ↓ | -0.5% | 3935.00 | 4095.00 | 2732.00 | TEMPO /WEEK BENODIG | | |
| WHEAT Jul 18 | 3908.00 | -44.00 ↓ | -1.1% | 3952.00 | 4708.00 | 2469.00 | WHEAT IMPORTS | | |
| WHEAT Sep 18 | 3904.00 | -18.00 ↓ | -0.5% | 3922.00 | 4796.00 | 2555.00 | 2017/18 | 2016/17 | 5 Yr. AVG |
| | | | | | WEEK TOTAL | | | | |
| | | | | | YTD TOTAL | | | | |
| | | | | | TOTAL NEEDED | | | | |
| | | | | | YTD AS % OF NEEDED | | | | |
| | | | | | 64% | | | | |
| | | | | | 52% | | | | |
| | | | | | 60% | | | | |

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

Market overview: The rand firmed against major currencies yesterday afternoon from R12.42/\$ to R12.39/\$, after the Reserve bank unanimously decided to keep the repo rate unchanged. The rand is trading this morning around R12.42/\$ which is mostly unchanged from the levels it traded on yesterday with market closing. However the governor of the SARB says that we are not yet out of the woods as there is still moderate potential inflation according to the outlook. Brent crude oil is trading at \$78, 88/barrel this morning which is slightly lower than the previous day. The Brent crude oil prices together with the volatile rand is one of the biggest factors that will be watched for the inflation rates as this would have an severe impact on the local inflation rates.

Maize: The US maize prices were under pressure yesterday and traded lower for the day after it found some good support earlier this week. Export net old crop sales came up to 850 000 tons, in addition there was 275 000 tons of new crop sales in the week ending 17 May. Old crop sales were 13% below the prior week but 3% ahead of the four-week average. Export shipments for corn were higher with 1.4 million tons, but 6 % below the previous week and 99% below the four week average. The number one destination was Mexico, followed by South Korea, Japan, Egypt and China. **Local:** The local maize market traded higher than the previous day for most of the contract months which is listed currently of both white and yellow maize.

Soybeans: The US soybean market traded lower for the day as the export sales for the week was a bit disappointing. US soybean export sales were lower than expected due to last week's cancellation of 894,500 metric tons. Despite the cancellation, there are positive developments with China back on the market and the first cargo was purchased by Sinograin, a Chinese exporter. Private exporters has reported a daily sale of around 263 000 tons for delivery to unknown destinations in the 2018/19 marketing season. Export shipments came up to 903 000 tons for the week ending 17 May which is 56% above the previous week and 65% ahead of the four week average. The number one destination was China, followed by Mexico, Bangladesh, Germany and Vietnam. **Local:** The local soybean market traded marginally higher than the previous day in most of the contract months listed currently.

Wheat: The American wheat market reached new highs earlier this week, but came under pressure to trade lower for the day. However, US wheat prices are still trading higher over the past two weeks. The weekly export sales reported by the USDA yesterday were approximately 451 785 tons, which include both old and new season sales. The weekly export shipments were about 12% lower than last week's export shipments and 10% lower than the 4-week average. South Korea was the largest recipient of American wheat for the week. The European Union's soft wheat exports for the season are about 20% lower than at the same time of the season a year ago. The expectation in Argentina is that more wheat will be planted for the season. **Local:** The local wheat market came under pressure yesterday and closed lower for the day in most of the contract months currently listed. The wheat import tariff was adjusted yesterday and was only adjusted lower to the trigger of R293 / ton before it was adjusted to the last trigger of R437 / ton again. However, the current rate is R437 / ton.

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

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