

Grain SA's Morning Grain Market Commentary

GRAIN SA	DATE	DATE			+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO					
	2016/08/29	2016/08/26			2016/08/22		2016/08/01		2015/08/31					
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data				
DJIA-index	18395	-52.60	↓	-0.3%	18448	↓	-0.7%	18529	↓	0.0%	18405	↑	11.3%	16528
Goud (Spot)	1317.48	-7.10	↓	-0.5%	1324.58	↓	-1.6%	1338.50	↓	-2.4%	1349.81	↑	15.3%	1142.24
Brent \$/vat	49.34	-0.18	↓	-0.4%	49.52	↑	1.4%	48.66	↑	16.5%	42.34	↓	-6.3%	52.65
1 € / US\$	1.1202	-0.009	↓	-0.8%	1.1291	↓	-1.2%	1.1338	↑	0.2%	1.1177	↓	-0.7%	1.1278
1 US\$ / ZAR	14.31	0.190	↑	1.3%	14.12	↓	6.0%	13.50	↑	2.9%	13.91	↑	8.1%	13.24
Corn	R 1,780.20	-39	↓	-2.2%	R 1,819.64	*CBOT Corn Sep cents / bushel 08:00 today vs. CBOT Corn Sep 12:00 the previous day								
Wheat	R 2,013.82	-67	↓	-3.2%	R 2,080.47	* CBOT Wheat Sep cents / bushel 08:00 today vs. CBOT Wheat Sep 12:00 the previous day								
Soybeans	R 5,205.44	28	↑	0.5%	R 5,177.84	* CBOT Soy Sep cents / bushel 08:00 today vs. CBOT Soy Sep 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)														
Corn Sep 16	316.00	-7.00	↓	-2.2%	323.00	↓	-5%	333.25	↓	-3%	325.75	↓	-19%	391.75
Wheat Sep 16	383.00	-18.00	↓	-4.5%	401.00	↓	-8%	415.25	↓	-6%	406.00	↓	-24%	506.50
Soybeans Sep 16	990.00	-8.00	↓	-0.8%	998.00	↓	-4%	1035.25	↑	1%	981.25	↑	11%	888.00
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)														
SORGHUM Jul 16	3435.00	0.00	↑	0.0%	3435.00	↑	0.1%	3430	↓	-0.4%	3450			NA
WMAZ Spot	4244.00	13.00	↑	0.3%	4231.00	↓	-0.5%	4264	↑	4.0%	4080	↑	35.6%	3130
WMAZ Dec 16	4252.00	-13.00	↓	-0.3%	4265.00	↓	-1.4%	4312	↑	3.1%	4125	↑	34.5%	3162
YMAZ Spot	3165.00	2.00	↑	0.1%	3163.00	↓	-0.7%	3187	↑	0.8%	3141	↑	12.7%	2808
YMAZ Dec 16	3212.00	11.00	↑	0.3%	3201.00	↓	-0.9%	3240	↓	-0.9%	3241	↑	13.3%	2836
SOY Spot	6470.00	-80.00	↓	-1.2%	6550.00	↓	-0.4%	6499	↓	-1.6%	6576	↑	23.4%	5245
SOY Dec 16	6499.00	-86.00	↓	-1.3%	6585.00	↓	-0.3%	6520	↓	-1.7%	6610	↑	21.9%	5331
SUN Spot	6230.00	150.00	↑	2.5%	6080.00	↑	5.7%	5893	↑	11.5%	5585	↑	13.3%	5500
SUN Dec 16	6369.00	150.00	↑	2.4%	6219.00	↑	5.1%	6060	↑	7.8%	5910	↑	9.2%	5835
WHEAT Spot	4305.00	-10.00	↓	-0.2%	4315.00	↑	0.3%	4293	↑	2.8%	4188	↑	1.9%	4226
WHEAT Dec 16	4175.00	-40.00	↓	-0.9%	4215.00	↓	-2.0%	4262	↓	-1.0%	4216	↑	0.5%	4155

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

Market: The rand trades at R14.31 to the dollar this morning. Last week was the worst performing week for the rand since May 2016. The rand reacted after the news that the Finance minister Pravin Gordhan is likely to be arrested by the Hawks as part of a fraud case when he was commissioner of SARS. The debate on a possible credit rating downgrade for South Africa is yet again on the table and the current uncertainties in South Africa, ranging from political to economic, may lead to a credit rating downgrade to junk status. A report by Reuters indicates that a number of economic analysts warned about the possible downgrade of the South African credit rating. The report by the US Federal Bank on Friday indicated that the US interest rates are likely to be hiked during the year, but will be done in a slow pace. The Fed's analysts are satisfied with the US economic figures. The gold prices trades at nearly a one month low as investors were awaiting the speech by the Chairperson of the US Federal Bank. The Brent Crude oil prices edged higher, but the market remains weak as OPEC's key producers indicates doubt about possibility of cutting output.

Maize international: The CBOT maize futures closed lower on Friday ending at a two-week low point. The December contracts are now bumping close to the oversold territory on the technical charts. The markets dropped following a slowdown in the export sales of both maize and soybeans. During the first half of August the USDA reported a number of daily export sales, but not many in the last half of the month. The pressure on the prices resumed due to the outlook of huge US production that would lead to high stock levels, therefore large exports of US maize is needed to offset the pressure on prices created by the expected record production. Maize harvest may start in more or less two weeks' time in the Midwest. The 30 and 90 day weather forecasts are favourable for harvesting with above normal temperatures and normal moisture. **Local:** The local maize prices traded quite slowly in Friday's trading session. There are many mixed feelings in the market, the international prices are trading lower, but the exchange rate is weakening which supports the local prices. Relative small movements in the prices were seen on Friday. The latest crop estimates report indicates a slight increase in the yellow maize production while the white maize production was left unchanged. The rand will be a critical factor in the movements of the local prices especially in the short to medium term (now until December)

Soybeans International: See weekly oilseed report

Wheat International: The wheat markets faced strong bearish news the previous week with maize and soybean markets that trending lower and the Black Sea producers that reports higher yields and bigger crops. Contract lows were set in the three wheat markets. In an international perspective, the Russian wheat crop is expected to be 73 million tons, significantly higher than the 61.8 million tons in 2015. In Ukraine the production is estimated to be 26 million ton, higher than the previous estimation of 25 million ton. In Canada the crop are likely to be the second largest in 25 years up 10.5% from last year. The forecast of rain in the central plains will still be favourable for the planting winter wheat in fall this year. The expectations are that there will be abundant wheat stocks internationally. **Local:** In the latest crop estimates report the wheat production for the season are estimated to be 1.683 million tons which is 16.88% higher than the 1.440 million tons of last season.

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

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