


Grain SA's Morning Grain Market Commentary

	DATE	DATE			+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO	
	2016/09/30	2016/09/29			2016/09/19		2016/08/29		2015/09/28	
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data
DJIA-index	18143	-195.79	↓ -1.1%	18339	↑ 0.1%	18124	↓ -1.4%	18395	↑ 13.4%	16002
Goud (Spot)	1322.61	-2.23	↓ -0.2%	1324.84	↑ 0.6%	1315.11	↑ 0.4%	1317.48	↑ 17.0%	1130.85
Brent \$/vat	49.48	0.46	↑ 0.9%	49.02	↑ 6.3%	46.54	↑ 0.3%	49.34	↑ 4.5%	47.35
1 € / US\$	1.1218	0.000	↑ 0.0%	1.1214	↑ 0.5%	1.1167	↑ 0.1%	1.1202	↓ -0.4%	1.1263
1 US\$ / ZAR	13.88	0.150	↑ 1.1%	13.73	↓ -1.8%	14.13	↓ -3.0%	14.31	↓ -1.7%	14.12
Corn	R 1,797.74	-16	↓ -0.9%	R 1,814.14	*CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Corn Dec 12:00 the previous day					
Wheat	R 2,034.91	-8	↓ -0.4%	R 2,043.19	* CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day					
Soybeans	R 4,845.03	37	↑ 0.8%	R 4,807.80	* CBOT Soy Nov cents / bushel 08:00 today vs. CBOT Soy Nov 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 Dec 16	329.00	-3.00	↓ -0.9%	332.00	↓ -2%	337.00	↑ 4%	316.00	↓ -20%	408.75
Wheat Dec 16	399.00	-6.00	↓ -1.5%	405.00	↓ -1%	403.00	↑ 4%	383.00	↓ -26%	541.75
Soybeans Nov 16	950.00	-3.00	↓ -0.3%	953.00	↓ -2%	966.00	↓ -4%	990.00	↑ 7%	884.00
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)										
SORGHUM Jul 17	3381.00	0.00	↑ 0.0%	3381.00	↓ -0.6%	3400.00	↓ -1.6%	3435.00		NA
WMAZ Spot	3586.00	52.00	↑ 1.5%	3534.00	↓ -7.1%	3859.00	↓ 15.5%	4244.00	↑ 11.9%	3205
WMAZ Dec 16	3635.00	50.00	↑ 1.4%	3585.00	↓ -7.2%	3916.00	↓ 14.5%	4252.00	↑ 12.1%	3244
YMAZ Spot	3024.00	50.00	↑ 1.7%	2974.00	↓ -3.8%	3142.00	↓ -4.5%	3165.00	↑ 2.5%	2949
YMAZ Dec 16	3068.00	44.00	↑ 1.5%	3024.00	↓ -4.0%	3196.00	↓ -4.5%	3212.00	↑ 3.2%	2973
SOY Spot	6143.00	33.00	↑ 0.5%	6110.00	↓ -3.7%	6380.00	↓ -5.1%	6470.00	↑ 14.2%	5378
SOY Dec 16	6167.00	142.00	↑ 2.4%	6025.00	↓ -3.7%	6401.00	↓ -5.1%	6499.00	↑ 11.4%	5538
SUN Spot	6290.00	165.00	↑ 2.7%	6125.00	↑ 0.9%	6236.00	↑ 1.0%	6230.00	↑ 10.4%	5700
SUN Dec 16	6439.00	149.00	↑ 2.4%	6290.00	↑ 0.3%	6421.00	↑ 1.1%	6369.00	↑ 3.0%	6251
WHEAT Spot	4202.00	22.00	↑ 0.5%	4180.00	↑ 4.0%	4040.00	↓ -2.4%	4305.00	↓ -1.7%	4274
WHEAT Dec 16	4142.00	-8.00	↓ -0.2%	4150.00	↑ 3.5%	4001.00	↓ -0.8%	4175.00	↓ -1.0%	4184

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

Market: The rand trades around R13.88/\$ this morning weaker than the R13.73/\$ yesterday 12:00. The rand lost some steam from its strong strengthening streak after the credit rating agency Standard & Poor announced that SA might still face a credit rating downgrade later this year if the economic and political uncertainties do not improve. The weaker rand together with the higher Brent Crude oil prices supported the local financial markets and the JSE all-share index closed the day higher yesterday. The Brent Crude oil prices found some support after the OPEC countries announced that they are likely to cut down on production in order to stabilize the oil markets. The rand remain volatile several factor would still contribute to the volatile movement of the rand. The local factors such as the political and economic uncertainty start to have a larger impact yet again. The rand still remain one on the key factors in the local commodity prices at this point of stage in the season.

Maize: The US maize prices started the day stronger but could not hold on to the early gains and closed the day relative unchanged. The market traded quit slowly ahead of the USDA quarterly crop report which is released later today. The market also remains under pressure with the harvesting that start to pick up pace in the Midwest and the forecasted drier weather for the coming week will also be favourable for the harvesting. The weekly export sales were disappointing and lower than expected despite the big sale to Mexico reported on Wednesday. The ethanol futures were lower for the second day despite the higher crude oil prices. The government report that indicated higher ethanol stock levels released on Wednesday placed the futures under pressure. The quarterly grain stocks report released later today will be critical information entering the market. The weather outlook and rain in the harvesting areas will also be a critical factor in the international market conditions. **Local:** The local market found some support yesterday and closed the day higher for both white and yellow maize after some serious losses were seen in earlier this week. The market remains volatile and large prices movements can be seen in the markets which is an indication of the risks and uncertainty currently in the markets. The exchange rate also plays a critical role in the market and has an impact on the price movements. Other fundamental information is the higher crop estimates figures with the crops that were better than expected at the end of the day. The market will start to get more sensitive towards the weather and rain especially in the longer term and for new season contracts.

Soybeans: The US soybean prices closed higher with the bullish export sales figures, but the gains were limited by the harvesting that is under way and place some harvesting pressure on the US soybean prices. The weekly export sale figures of US soybeans almost doubled up from last week and it topped the trade forecast. The OPEC decision to cut down on some of the production and the higher crude oil prices supported the soybean and soybean oil prices due to the biodiesel link between these two. The November contract prices traded on par with the previous day's trading and could not push through the technical resistance of the 20 day moving average. The current dry weather forecast will be favourable for the harvesting. The grain stocks report released later today by the USDA will be important information in the soybean markets. The expectations are that the crop levels would be reported higher than last year. **Local:** The local soybean prices closed found some good support yesterday closing the day higher. Most of the commodities traded higher yesterday and found some support by positive parities and a weaker rand.

Wheat: The wheat price closed mixed yesterday with the winter wheat (both soft and Hard Red) that closed the day lower, while the spring wheat contracts found some support and ended the day higher. The trading in the wheat contracts remain at a slow pace. The weekly export sales were higher and better than expected but the prices remains near the levels of the previous month as large global wheat supplies continue to places pressure on the international prices. The expectations in the market are still that the US wheat exports might get boosted with the problems in the Australian and European wheat crops. The harvesting in Brazil is progressing well, while the rain continues in Australia which is negative for the crop at this stage just before the harvesting starts. There are concerns that the excess rain in Australia would have a negative impact on the size and the quality of the wheat crop. Rain in the Black Sea region is favourable for the wheat production. The expectations are that the wheat stock levels would be higher than last year in the USDA quarterly report released later today. **Local:** The local wheat prices traded relatively sideways and a little lower in yesterday's trading session. The lower prices could be because of profit taking after the increases that were seen in the market. The local production conditions are looking favourable in most of the wheat producing areas. Favourable weather conditions and rain in the Western Cape region were favourable for the wheat production.

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

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

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