

Grain SA's Morning Grain Market Commentary

DATE 2018/12/07	DATE 2018/12/06		+ - LAST WEEK 2018/11/26		AT THE MONEY PUT OPTION		
	Δ	Δ%	Δ	Δ%	WM	YM	
DJIA-index	24948	-79.40 ↓	-0.3%	25027 ↑	2.7%	24286	JUL '19 FUTURES PRICE R 2 663.00 R 2 559.00
Goud (Spot)	1239.4	-0.23 ↓	0.0%	1239.63 ↑	1.2%	1224.9	PUT STRIKE PRICE R 2 660.00 R 2 560.00
Brent \$/vat	60.23	-1.29 ↓	-2.1%	61.52 ↑	0.8%	59.78	PUT PREMIUM R 272.14 R 196.23
1 € / US\$	1.1366	0.00 ↑	0.3%	1.1334 ↑	0.2%	1.1347	MIN SAFEX PRICE R 2 387.86 R 2 363.77
1 US\$ / ZAR	14.05	0.050 ↓	0.4%	14.00 ↑	1.7%	13.82	
Corn	R 2 057.60	-6 ↓	-0.3%	R 2 063.51	*CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day		
Wheat	R 2 608.09	-38 ↓	-1.4%	R 2 646.14	* CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day		
Soybeans	R 4 694.77	21 ↑	0.4%	R 4 673.95	* 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)							
Corn Dec 18	372.00	-2.40 ↓	-0.6%	374.40	WEEK NR. 31		
Wheat Dec 18	505.20	-9.20 ↓	-1.8%	514.40	MAIZE EXPORTS		
Soybeans Jan 18	909.40	0.80 ↑	0.1%	908.60	WEEK TOTAL 11 295 5 018 16 313		
Latest MTM prices (SPOT = nearest contract month (Rand / ton)				Import parity	Export parity	YTD TOTAL 273 387 1 354 024 1 627 411	
SORGHUM Mar '19	3700.00	0.00 ↑	0.0%	3700.00	3467.00	1768.00	EXPORTABLE 1 550 000 2 455 000 4 005 000
WMAZ Spot	2499.00	41.00 ↑	1.7%	2458.00	3890.00	2113.00	YTD AS % OF EXPORTABLE 18% 55% 41%
WMAZ Mar 19	2576.00	36.00 ↑	1.4%	2540.00	3397.00	1906.00	PACE/WEEK NEEDED 60 791 52 427 113 219
WMAZ Jul 19	2663.00	27.00 ↑	1.0%	2636.00	3474.00	1982.00	MAIZE PRODUCER DELIVERIES
YMAZ Spot	2464.00	34.00 ↑	1.4%	2430.00	3340.00	2113.00	WEEK TOTAL 8 295 11 689 19 984
YMAZ Mar 19	2518.00	30.00 ↑	1.2%	2488.00	3397.00	1906.00	YTD TOTAL 6 255 836 5 475 418 11 731 254
YMAZ Jul 19	2559.00	29.00 ↑	1.1%	2530.00	3474.00	1982.00	CEC FORECAST + ADJUSTMENT 6 601 560 5 779 650 12 381 210
SOY spot	4734.00	34.00 ↑	0.7%	4700.00	6062.00	4022.00	% OF HARVESTED DELIVEIRES 95% 95% 95%
SOY May 19	4943.00	22.00 ↑	0.4%	4921.00	6524.00	4465.00	PACE/WEEK NEEDED 26 594 23 402 49 997
SUN Spot 18	5200.00	30.00 ↑	0.6%	5170.00	5862.00	4306.00	WHEAT IMPORTS
SUN May 19	4783.00	44.00 ↑	0.9%	4739.00	5862.00	4306.00	2018/19 2017/18 5 Jr. GEM
WHEAT Dec18	4245.00	21.00 ↑	0.5%	4224.00	4465.00	4145.00	WEEK TOTAL 54 190 57 195 37 425
WHEAT Mar 19	4358.00	18.00 ↑	0.4%	4340.00	4534.00	4214.00	YTD TOTAL 144 245 520 235 355 067
WHEAT May 19	4417.00	21.00 ↑	0.5%	4396.00	4772.00	4452.00	TOTAL NEEDED 1 400 000 2 173 234 1 727 637
YTD AS % OF NEEDED 10% 24% 21%							

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

Market Overview: The rand trade this morning at R14.01 / \$ this morning, which is almost unchanged from the level at which it traded on at market closing yesterday afternoon. The rand was mainly under pressure yesterday after the shortfall in the current account in the 3rd quarter of 2018 increased to 3.5% of GDP. It increased from the 3.4% of GDP as reported in the 2nd quarter of 2018. The greater current account deficit is mainly due to a smaller trade surplus reported during the 3rd quarter of 2018. The current account is an indication of the trade that takes place between SA and the rest of the world. The rating agency, Fitch, has left the South African credit status unchanged from the previous announcement with the outlook stable. However, they warned that low economic growth, rising government debt and the risks with the increasing social and political tension is risk factors for further rating decides. On the commodity front, the Brent crude price trade this morning at \$ 60.23 / barrel.

Maize: The American maize market was under pressure yesterday and traded lower for the day after it found support earlier this week. There is still no specific progress with trade agreements between the US and China, although last week's talks between the presidents of these countries have been positive. The market should keep these aspects in mind until real tangible progress is made or not. Both December and March contracts closed lower for the day yesterday. The forecast for the weekly export sales report, which is announced later, is that it should be between about 800 000 tons and 1.1 million tons. Private exporters reported export sales of 198 000 tons to the USDA. It is for delivery to Mexico. In the weekly ethanol production figures it is reported that the weekly output was about 1,069 million barrels a day. This is higher than last week's production of 1,048 million barrels per day. Weekly production was the highest weekly production since August. Algeria bought about 40 000 tons of maize on an international tender that is likely to be obtained from Argentina. It is for delivery during December. Local: The local maize market found support yesterday and traded higher for the day in most of the contract months of both white and yellow maize currently listed. Yesterday's weekly export report indicates that 11 295 tons of white maize was exported for the week, while yellow maize exports were 5 018 tons for the week. Total exports for the season so far are 1,627 million tons.

Soybean: US soybean prices rallied for the fourth day in a row as traders await more details regarding US China trade negotiations. However, yesterday trade tensions were heightened when Canada arrested a Chinese executive from a technologies company, this executive faces possible extradition, and this created an anxious environment in the political world. Ahead of today's USDA's export report it is expected that soybean sales will range between 598 802 tons and 900 925 tons for the week ending November 29; with soybean sales expected between 175 000 tons and 400 000 tons, plus soy oil sales between 8000 and 26 000 tons. According to Argentina's Rosario grain exchange, the country could export a record amount of 13.99 million tons of soybeans to China in 2019, sales to China account for 95% of Argentina's total soybean exports. Algeria purchased 40 000 tons of soybean from Argentina and the US in a tender that closed on Wednesday, for shipment in January. Local: Local soybean prices traded predominantly higher yesterday. March soybean contracts traded to a low of R4845 and a high of R4880 and closed the session off at R4857.

Wheat: US wheat prices took another round of small to moderate losses as prices continue to face downward pressure from low US exports and large global supplies. Ahead of this afternoon's USDA export report, it is expected that wheat sales for the week ending November 29 will range between 299 401 tons and 598 802 tons. The UN estimates world wheat production for 2018/19 to reach 725.17 million tons, dropping by 2.80 million tons from the prior estimates. Stats Canada reported 2018 wheat production to be up 6% higher year on year, totalling 31.7 million tons, including 5.7 million tons of durum wheat. Egypt purchased 351 115 tons of wheat in an international tender yesterday, with about 80% sourced from Russia and the remainder from Ukraine, for shipment in January. Japan purchased 144 256 tons of food quality wheat from the US, Canada and Australia in a regular tender yesterday. Local: Local wheat prices traded higher yesterday. March wheat contracts traded to a low of R4354 and a high of R4385 and closed the session off at R4358.

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

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