

Grain SA's Morning Grain Market Commentary

GRAIN SA GRAAN SA	DATE	DATE		+ - LAST WEEK		AT THE MONEY PUT OPTION				
	2018/02/11	2018/02/08		2019/02/04						
	Data	Δ	Δ%	Data	Δ%	Data	WM	YM		
DJIA-index	25106	-63.20	-0.3%	25170	-0.5%	25239	JUL '19 FUTURES PRICE	R 2 888.00	R 2 707.00	
Goud (Spot)	1311.34	2.74	0.2%	1308.6	-0.2%	1314.55	PUT STRIKE PRICE	R 2 880.00	R 2 700.00	
Brent \$/vat	61.54	-0.08	-0.1%	61.62	-2.0%	62.8	PUT PREMIUM	R 207.55	R 124.83	
1 € / US\$	1.1319	0.00	-0.2%	1.1338	-1.0%	1.1432	MIN SAFEX PRICE	R 2 672.45	R 2 575.17	
1 US\$ / ZAR	13.60	-0.020	-0.1%	13.62	1.6%	13.38				
Corn Mar 19	R 2 003.48	-15	-0.7%	R 2 018.22			*CBOT Corn Mar cents / bushel 08:00 today vs. CBOT Mar 12:00 the previous day			
Wheat Mar 19	R 2 584.52	16	0.6%	R 2 568.31			*CBOT Wheat Mar cents / bushel 08:00 today vs. CBOT Wheat Mar 12:00 the previous day			
Soybeans Mar 19	R 4 569.39	-1	0.0%	R 4 570.10			*CBOT Soy Mar cents / bushel 08:00 today vs. CBOT Soy Mar 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)						WEEK NR.	MAIZE EXPORTS			
Corn Mar 19	374.20	-2.20	-0.6%	376.40		41	WM	YM	TM	
Wheat Mar 19	517.20	4.00	0.8%	513.20			46 693	5 151	51 844	
Soybeans Jan 18	914.40	1.20	0.1%	913.20			394 444	1 450 623	1 845 067	
Latest MTM prices (SPOT = nearest contract month (Rand / ton))						Import parity	Export parity	EXPORTABLE		
SORGHUM Mar '19	3820.00	0.00	0.0%	3820.00		3467.00	1768.00	YTD AS % OF EXPORTABLE		
WMAZ Spot	2771.00	-11.00	-0.4%	2782.00		3890.00	2113.00	26%		
WMAZ Mar 19	2783.00	-11.00	-0.4%	2794.00		3397.00	1906.00	PACE/WEEK NEEDED		
WMAZ Jul 19	2888.00	-8.00	-0.3%	2896.00		3474.00	1982.00	100 505		
YMAZ Spot	2663.00	-7.00	-0.3%	2670.00		3340.00	2113.00	77 216		
YMAZ Mar 19	2679.00	-13.00	-0.5%	2692.00		3397.00	1906.00	177 721		
YMAZ Jul 19	2704.00	-3.00	-0.1%	2707.00		3474.00	1982.00	MAIZE PRODUCER DELIVERIES		
SOY spot	4752.00	7.00	0.1%	4745.00		6062.00	4022.00	WEEK TOTAL		
SOY May 19	4875.00	5.00	0.1%	4870.00		6524.00	4465.00	2 296		
SUN Spot	5500.00	-25.00	-0.5%	5525.00		5862.00	4306.00	5 464		
SUN May 19	5241.00	-79.00	-1.5%	5320.00		5862.00	4306.00	7 760		
WHEAT Spot	4525.00	-3.00	-0.1%	4528.00		4465.00	4145.00	YTD TOTAL		
WHEAT Mar 19	4546.00	-10.00	-0.2%	4556.00		4534.00	4214.00	6 306 799		
WHEAT May 19	4632.00	-11.00	-0.2%	4643.00		4772.00	4452.00	5 554 514		
								11 861 313		
								CEC FORECAST + ADJUSTMENT		
								6 601 560		
								% OF HARVESTED DELIVERIES		
								96%		
								PACE/WEEK NEEDED		
								98 254		
								75 045		
								173 299		
								WHEAT IMPORTS		
								2018/19		
								2017/18		
								5 Jr. GEM		
								WEEK TOTAL		
								5 550		
								22 419		
								21 885		
								YTD TOTAL		
								190 067		
								696 321		
								546 424		
								TOTAL NEEDED		
								1 400 000		
								2 173 234		
								1 727 637		
								YTD AS % OF NEEDED		
								14%		
								32%		
								32%		

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

Market overview: The rand is trading this morning at R13.61 against the dollar. In the first half of 2018, there was a recession, but the economy ended the year stronger with unemployment rate that would be released during key economic indicators this week. The unemployment rate is expected to have declined due to the appointment of seasonal hiring. Manufacturing production is also expected to grow in December. Retail sales growth is expected to decline in December from November. South Africa will again expect an increase in load shedding due to capacity shortage. Crude oil price is trading at \$61.54/barrel this morning.

Maize: US maize prices fell slightly on Friday despite generally supportive supply and demand data from USDA that morning. Large South American crops and higher world ending stocks kept gains from emerging. According to the USDA report, 2018 US maize production reached 366 million tons, which is 5 million tons less than the agency's prior estimates. US 2018/19 ending stocks dropped by 1.16 million tons to 44 million tons. World ending stocks for 2018/19 moved slightly higher, from 308.8 million tons in December to 309.78 million tons. Ukraine's 2019 maize production is expected to fall by 12% from its record 2018 harvest, coming in at around 31 million tons. **Local:** Local maize prices traded lower on Friday. March white maize contracts traded to a high of R2840 and a low of R2775 before closing the day at R2783.

Soybeans: US soybean prices found some support on Friday, due to some short covering; this is after dropping by 1% on Thursday. The latest USDA supply and demand data was also supportive to prices after showing lower 2018 US production totals. According to the USDA 2018 US crop has dropped to 123 million tons, which is a bit lower than its prior projection of 125 million tons. US Soybean ending stocks for 2018/19 moved slightly lower, from prior estimates of 25.9 million tons up to 24.7 million tons. The USDA left South American soybean production estimates for Argentina and Brazil unchanged at 55 million tons and 117 million tons, respectively. Worldwide, soybean-ending stocks for 2018/19 moved slightly lower, from 115.33 million tons to 106.72 million tons a move largely predicted by analysts earlier this week. **Local:** Local soybean prices traded marginally higher on Friday. March soybean contracts traded to a low of R4756 and a high of R4945 before closing the session off at R4803.

Wheat: US wheat prices were mixed but mostly higher amid some technical maneuvering following Friday's WASDE report from USDA. The USDA released estimated hectares at 12 662 613 ha, down from prior estimates of 13 190 728 ha. US wheat ending inventory for the 2018/19 are on the rise, moving from earlier estimates of 26 915 000 tons up to 27 488 160 tons. In other international news, Ukraine's 2019 wheat production is expected to increase above last year's totals. Kazakhstan could export as much as 12 000 000 tons of grain in 2019. Egypt has purchased 299 368 tons of US wheat. **Local:** Local wheat prices traded lower on Friday. With a March wheat contract trading at R4539.

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

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Thank you for the Maize Trust for partially funding this project

