

Grain SA's Morning Grain Market Commentary

GRAIN SA GRAIN SA	DATE	DATE		+ - LAST WEEK		AT THE MONEY PUT OPTION			
	2018/01/11	2018/01/10		2018/12/24					
	Data	Δ	Δ%	Data	Δ%	Data	WM	YM	
DJIA-index	24002	122.80	0.5%	23879	6.9%	22445	JUL '19 FUTURES PRICE R 3 078.00	R 2 769.00	
Goud (Spot)	1293.56	-1.74	-0.1%	1295.3	2.4%	1263.17	PUT STRIKE PRICE R 3 080.00	R 2 760.00	
Brent \$/vat	61.16	-0.18	-0.3%	61.34	12.8%	54.24	PUT PREMIUM R 329.37	R 187.50	
1 € / US\$	1.1525	0.00	0.0%	1.1526	1.2%	1.1388	MIN SAFEX PRICE R 2 750.63	R 2 572.50	
1 US\$ / ZAR	13.80	-0.120	-0.9%	13.92	-5.0%	14.53			
Corn	R 2 043.81	-50	-2.4%	R 2 093.36			*CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day		
Wheat	R 2 604.28	-40	-1.5%	R 2 644.31			* CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day		
Soybeans	R 4 620.36	-40	-0.9%	R 4 660.54			* 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)						WEEK NR.	MAIZE EXPORTS		
Corn Mar 19	376.20	-5.80	-1.5%	382.00	Daily parity prices delivered in			36	
Wheat Mar 19	513.60	-3.40	-0.7%	517.00	Randfontein. WEAT BDN			WEEK TOTAL	3 342
Soybeans Jan 18	911.20	0.00	0.0%	911.20	import par not export par			YTD TOTAL	313 946
Latest MTM prices (SPOT = nearest contract month (Rand / ton)						Import parity	Export parity	EXPORTABLE	1 550 000
SORGHUM Mar '19	3750.00	0.00	0.0%	3750.00	3467.00	1768.00	YTD AS % OF EXPORTABLE	20%	
WMAZ Spot	2925.00	13.00	0.4%	2912.00	3890.00	2113.00	PACE/WEEK NEEDED	77 253	
WMAZ Mar 19	2985.00	10.00	0.3%	2975.00	3397.00	1906.00	MAIZE PRODUCER DELIVERIES		
WMAZ Jul 19	3078.00	12.00	0.4%	3066.00	3474.00	1982.00	WEEK TOTAL	605	
YMAZ Spot	2739.00	9.00	0.3%	2730.00	3340.00	2113.00	YTD TOTAL	6 271 131	
YMAZ Mar 19	2787.00	-1.00	-0.0%	2788.00	3397.00	1906.00	CEC FORECAST + ADJUSTMENT	6 601 560	
YMAZ Jul 19	2769.00	-9.00	-0.3%	2778.00	3474.00	1982.00	% OF HARVESTED DELIVEIRES	95%	
SOY spot	4765.00	5.00	0.1%	4760.00	6062.00	4022.00	PACE/WEEK NEEDED	41 304	
SOY May 19	4936.00	5.00	0.1%	4931.00	6524.00	4465.00	WHEAT IMPORTS		
SUN Spot 18	5600.00	20.00	0.4%	5580.00	5862.00	4306.00	2018/19	2017/18	
SUN May 19	5332.00	32.00	0.6%	5300.00	5862.00	4306.00	WEEK TOTAL	11 611	
WHEAT Spot	4445.00	9.00	0.2%	4436.00	4465.00	4145.00	YTD TOTAL	161 970	
WHEAT Mar 19	4505.00	9.00	0.2%	4496.00	4534.00	4214.00	TOTAL NEEDED	1 400 000	
WHEAT May 19	4576.00	8.00	0.2%	4568.00	4772.00	4452.00	YTD AS % OF NEEDED	12%	

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

Market Overview: The rand trade this morning at R13.82 / \$ and strengthened 10 cents from the levels it traded with market closure yesterday afternoon. Statistics SA released its November manufacturing sector figures yesterday, showing growth of 1.6% year on year. It was more or less in line with the general expectations for the month. The comparison with October 2018's figures is that local manufacturing has grown 0.7% month-on-month. There is generally a positive outlook for this sector during 2019. The overall expectation is that the manufacturing sector should be better off in 2019 than in 2018. This will be positive for the local economy as the manufacturing sector plays a major role in local economy. In spite of the positive news for some of the sectors reported at the end of last year, local business confidence declined during December. The confidence is to a great extent influenced by the policy assurance. There are currently many uncertainties in terms of policy issues and it will only have to be more secure before business confidence should improve drastically.

Maize: The US maize market came under pressure yesterday and closed about 1% lower for the day. The market is under pressure as there is no real progress in the US and China trade agreements. Although the maize is not as big as other commodities, the uncertainty in the trade agreements has a negative impact on US maize prices. In other international news, a Brazilian agency predicted that maize production for the 2018/19 season should be slightly higher than that was forecasted in December. The expected maize production in Brazil is estimated at 91.18 million tons. The expected exports for the season remained unchanged from the previous forecast, at 30.9 million tons. South Korea bought about 68 500 tons of maize on an international tender. These maize will be obtained from an optional origin and this is for delivery during May. **Local:** The local maize market traded mixed yesterday with most of the white maize contract months closed slightly higher for the day, while most of the yellow maize contract months closed slightly lower for the day. The planting of maize in the west will probably still take place until today and perhaps over the weekend in some areas from where the producers will move to other crops. The local yellow maize prices are already close to an import parity price for delivery in the Western Cape. According to the SAGIS intentions to import and export, 50 000 tons of yellow maize imports have already been booked for delivery in the first week of February. 56,675 tons of expected white maize exports were also reported for the week of February 22.

Soybeans: US soybean prices traded lower yesterday as markets starts to grow wary of ongoing US-China trade negotiations, which have failed to yield any large purchases from China since late December. A consultancy firm from Brazil has lowered its estimates for the country's 2018/19 soybean production to 118.80 million tons—a bullish figure compared to some other recent estimates. Brazil has suffered through some overly dry, hot weather for the past few weeks, however estimates for 2018/19 soybean exports is unchanged from its December assessment of 75 million tons. **Local:** Local soybean prices traded mixed yesterday. March soybean contracts traded to a high of R4865, a low of R4824 and closed off the session at R4849.

Wheat: US wheat prices traded lower by about 1.5% yesterday due to spill over weakness from the dollar, soybeans, maize and some technical selling. There is also a likelihood that the negative news from Russia selling significant amounts of wheat into the export sector had an effect on US prices. South Korea purchased nearly 65 323 tons of feed wheat from optional origins yesterday, for arrival by the end of March. China sold about 4 382 tons of its state reserves of 2013 imported wheat at an auction yesterday, which was 0.7% of the total available for sale. Jordan issued another international tender to buy 119 760 tons of milling wheat from optional origins with a deadline of January 15; the country made no purchases in its latest tender for a similar amount of grain, which expired on Wednesday. **Local:** SA wheat imports for the week ending January 4 totalled 11 611 tons. Local wheat prices traded slightly higher yesterday. March wheat contracts traded to a low of R4460 and a high of R4513 before closing the session at R4505.

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

Compiled by: Luan van der Walt and Ikageng Maluleke For any queries, contact Ikageng@grainsa.co.za
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