


## Grain SA's Morning Grain Market Commentary

	DATE	DATE		+ - LAST WEEK		AT THE MONEY PUT OPTION					
	2018/12/12	2018/12/11		2018/12/03							
	Data	Δ	Δ%	Data	Δ%	Data	WM	YM			
DJIA-index	24370	-53.02	↓	-0.2%	24423	↓	JUL '19 FUTURES PRICE	R 2 952.00	R 2 705.00		
Goud (Spot)	1244.13	-2.17	↓	-0.2%	1246.3	↑	PUT STRIKE PRICE	R 2 960.00	R 2 700.00		
Brent \$/vat	60.46	0.68	↑	1.1%	59.78	↓	PUT PREMIUM	R 325.42	R 201.57		
1 € / US\$	1.1323	-0.01	↓	-0.6%	1.1388	↓	MIN SAFEX PRICE	R 2 634.58	R 2 498.43		
1 US\$ / ZAR	14.27	-0.120	↓	-0.8%	14.39	↑					
Corn	R 2 106.67	-15	↓	-0.7%	R 2 122.12	*CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day					
Wheat	R 2 672.00	-49	↓	-1.8%	R 2 720.91	* CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day					
Soybeans	R 4 797.64	-10	↓	-0.2%	R 4 807.32	* 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 Dec 18	375.00	0.40	↑	0.1%	374.60	Daily parity prices delivered in Randfontein. WEAT BDN import par not export par	32	WM	YM	TM	
Wheat Dec 18	509.60	-5.00	↓	-1.0%	514.60		WEEK TOTAL	11 295	5 018	16 313	
Soybeans Jan 18	915.00	5.80	↑	0.6%	909.20		YTD TOTAL	273 387	1 354 024	1 627 411	
Latest MTM prices (SPOT = nearest contract month (Rand / ton))						Import parity	Export parity	EXPORTABLE	1 550 000	2 455 000	4 005 000
SORGHUM Mar '19	3700.00	0.00	↑	0.0%	3700.00	3467.00	1768.00	YTD AS % OF EXPORTABLE	18%	55%	41%
WMAZ Spot	2809.00	20.00	↑	0.7%	2789.00	3890.00	2113.00	PACE/WEEK NEEDED	68 831	55 049	118 879
WMAZ Mar 19	2878.00	102.00	↑	3.7%	2776.00	3397.00	1906.00	MAIZE PRODUCER DELIVERIES			
WMAZ Jul 19	2952.00	89.00	↑	3.1%	2863.00	3474.00	1982.00	WEEK TOTAL	8 295	11 689	19 984
YMAZ Spot	2635.00	17.00	↑	0.6%	2618.00	3340.00	2113.00	YTD TOTAL	6 255 836	5 475 418	11 731 254
YMAZ Mar 19	2679.00	19.00	↑	0.7%	2660.00	3397.00	1906.00	CEC FORECAST + ADJUSTMENT	6 601 560	5 779 650	12 381 210
YMAZ Jul 19	2705.00	5.00	↑	0.2%	2700.00	3474.00	1982.00	% OF HARVESTED DELIVEIRES	95%	95%	95%
SOY spot	4891.00	55.00	↑	1.1%	4836.00	6062.00	4022.00	PACE/WEEK NEEDED	28 810	25 353	54 163
SOY May 19	5100.00	54.00	↑	1.1%	5046.00	6524.00	4465.00	WHEAT IMPORTS			
SUN Spot 18	5460.00	45.00	↑	0.8%	5415.00	5862.00	4306.00	2018/19	2017/18	5 Jr. GEM	
SUN May 19	5068.00	90.00	↑	1.8%	4978.00	5862.00	4306.00	WEEK TOTAL	54 190	57 195	37 425
WHEAT Dec18	4342.00	42.00	↑	1.0%	4300.00	4465.00	4145.00	YTD TOTAL	144 245	520 235	355 067
WHEAT Mar 19	4449.00	43.00	↑	1.0%	4406.00	4534.00	4214.00	TOTAL NEEDED	1 400 000	2 173 234	1 727 637
WHEAT May 19	4516.00	53.00	↑	1.2%	4463.00	4772.00	4452.00	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 is trading at R14.27 against the dollar this morning, the local currency closed the day off at R14.35/\$. The mining and manufacturing sectors kicked off the fourth quarter with stronger-than-expected growth; however, data from Statistics SA showed that both sectors shed jobs in the third quarter. Nevertheless, this rebound is not enough to create enough jobs to reduce unemployment and poverty. According to Stats SA's quarterly employment survey yesterday, the number of employed South Africans fell by 16,000 in the third quarter of 2018, the manufacturing sector had job losses of 7,000, while mining shed 2000 jobs. Production figures released yesterday show a positive start to the fourth quarter, indicating that the economy remained strong at the start of the fourth quarter, yet the future of both mining and manufacturing sectors remains uncertain; mainly due to pressure from load shedding and on-going concerns about US import tariffs on steel and aluminium. Crude oil is trading at \$60.46 per barrel this morning. Oil prices rose yesterday on optimism of production cuts announced by OPEC, while US inventories were estimated to have shrunk and a giant Libyan field remained shut. According to a Libyan state producer, Libya declared force majeure at its largest oil field, Sharara, after an armed group forced a production halt, the shutdown will result in an output loss of 315 000 barrels a day.

**Maize:** US maize prices traded slightly higher yesterday on some technical buying and spill over strength from soybean. According to the World Agricultural Supply and Demand Estimates (WASDE) US maize ending stocks reached 45.24 million tons compared to 44.10 million tons in November, while world ending stocks were 308.8 million tons up from November forecast of 307.5million tons. According to the Brazilian governmental agency, the country's total 2018/19 maize production will reach 91.13 million tons, which is up by 12% year on year due to increased hectares and better weather. China's agricultural ministry raised forecasts for 2018/19 imports by 1.5 million tons and maize consumption estimates by 5 million tons to 250 million tons. France's farm ministry increased 2018 maize production estimated by 1.2% to 12.39 million tons, which is lagging 13% behind 2017 pace. **Local:** Local maize prices traded significantly higher for a second day in a row. March white maize contracts traded to a low of R2827 and high of R2926 and closed of the session at R2878.

**Soybeans:** US soybean prices traded moderately high due to fresh optimism regarding the US-China trade negotiations, making suitable progress and the USDA held the forecast of US ending stocks steady. According to the World Agricultural Supply and Demand Estimates (WASDE), US soybean-ending stocks were unchanged at 25.99 million tons, while world-ending stocks of soybean were estimated up to 115.33 million tons from 112.1 million tons in November. Brazilian governmental agency, estimated that the country's 2018/19 soybean crop could top 120 million tons, trending about 0.65% higher year-over-year. The country's soybean exports are expected to ease by 8.5% from 2017/18 – but still reaching a relatively massive 75 million tons. **Local:** Local soybean prices traded higher yesterday. March soybean contracts traded to a low of R4970 and a high of R5030 before closing off the session at R 5386.

**Wheat:** US wheat prices traded mixed, but mostly lower yesterday due to bearish supply and demand data from the USDA. According to the WASDE report, USDA raised its forecast of wheat ending stocks by 680 457 tons. US ending stocks for wheat climbed from 26.5 million tons in November to 28.8 million tons currently. World ending stocks also moved higher, from 266.7 million tons in November to 268.1 million tons now. Russia raised its 2018 wheat production estimates slightly by 0.3% to reach 70.90 million tons; wheat accounts for nearly two-thirds of the country's total grain production this year. **Local:** Local wheat prices traded higher yesterday. March wheat contracts traded to a low of R4400 and a high of R4500, before closing off the session at R4449.

Domestic Market Insights & Data: [www.grainsa.co.za](http://www.grainsa.co.za) / [www.sagis.co.za](http://www.sagis.co.za)  
International Market Insights & Data: [www.usda.co.za](http://www.usda.co.za)

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