

Grain SA's Morning Grain Market Commentary

DATE 2018/02/12	DATE 2018/02/11		+ - LAST WEEK 2019/02/04		AT THE MONEY PUT OPTION				
	Data	Δ	Δ%	Data	Δ%	Data	WM	YM	
DJIA-index	25053	-53,22	-0,2%	25106	-0,7%	25239	JUL '19 FUTURES PRICE R 2 788,00	R 2 640,00	
Goud (Spot)	1307,81	-3,53	-0,3%	1311,34	-0,5%	1314,55	PUT STRIKE PRICE R 2 780,00	R 2 635,00	
Brent \$/vat	61,94	0,40	0,6%	61,54	-1,4%	62,8	PUT PREMIUM R 192,80	R 125,84	
1 € / US\$	1,1276	0,00	-0,3%	1,1305	-1,4%	1,1432	MIN SAFEX PRICE R 2 587,20	R 2 509,16	
1 US\$ / ZAR	13,78	0,120	0,9%	13,66	3,0%	13,38			
Corn Mar 19	R 2 021,32	13	0,6%	R 2 008,55			* CBOT Corn Mar cents / bushel 08:00 today vs. CBOT Mar 12:00 the previous day		
Wheat Mar 19	R 2 623,79	38	1,5%	R 2 585,89			* CBOT Wheat Mar cents / bushel 08:00 today vs. CBOT Wheat Mar 12:00 the previous day		
Soybeans Mar 19	R 4 582,27	-3	-0,1%	R 4 585,53			* 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 day)					WEEK NR.				
Corn Mar 19	372,60	-0,90	-0,2%	373,50	Parity prices delivered in				
Wheat Mar 19	518,20	3,00	0,6%	515,20	Randfontein. WEAT BDN				
Soybeans Jan 18	905,00	-8,60	-0,9%	913,60	import par not export par				
Latest MTM prices (SPOT = nearest contract month (Rand / ton))					Import parity		Export parity		
Sorghum Mar '19	3820,00	0,00	0,0%	3820,00	3467,00	1768,00	WEEK TOTAL 41 WM YM TM		
WMAZ Spot	2665,00	-106,00	-3,8%	2771,00	3890,00	2113,00	WEEK TOTAL 46 693 5 151 51 844		
WMAZ Mar 19	2683,00	-100,00	-3,6%	2783,00	3397,00	1906,00	YTD TOTAL 394 444 1 450 623 1 845 067		
WMAZ Jul 19	2788,00	-100,00	-3,5%	2888,00	3474,00	1982,00	EXPORTABLE 1 500 000 2 300 000 3 800 000		
YMAZ Spot	2593,00	-70,00	-2,6%	2663,00	3340,00	2113,00	YTD AS % OF EXPORTABLE 26% 63% 49%		
YMAZ Mar 19	2606,00	-73,00	-2,7%	2679,00	3397,00	1906,00	PACE/WEEK NEEDED 100 505 77 216 177 721		
YMAZ Jul 19	2635,00	-69,00	-2,6%	2704,00	3474,00	1982,00	WEEK TOTAL 2 296 5 464 7 760		
SOY spot	4702,00	-50,00	-1,1%	4752,00	6062,00	4022,00	YTD TOTAL 6 306 799 5 554 514 11 861 313		
SOY May 19	4821,00	-54,00	-1,1%	4875,00	6524,00	4465,00	CEC FORECAST + ADJUSTMENT 6 601 560 5 779 650 12 381 210		
SUN Spot	5303,00	-197,00	-3,6%	5500,00	5862,00	4306,00	% OF HARVESTED DELIVERIES 96% 96% 96%		
SUN May 19	5112,00	-129,00	-2,5%	5241,00	5862,00	4306,00	PACE/WEEK NEEDED 98 254 75 045 173 299		
WHEAT Spot	4532,00	7,00	0,2%	4525,00	4465,00	4145,00	WEEK TOTAL 5 550 22 419 21 885		
WHEAT Mar 19	4560,00	14,00	0,3%	4546,00	4534,00	4214,00	YTD TOTAL 190 067 696 321 546 424		
WHEAT May 19	4643,00	11,00	0,2%	4632,00	4772,00	4452,00	TOTAL NEEDED 1 400 000 2 173 234 1 727 637		
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS					YTD AS % OF NEEDED 14% 32% 32%				

Market overview: The rand is trading at R13.78 this morning, which is weaker than yesterday's R13.66. Eskom remains a risk to South Africa's finances. The plan to divide the power supply into three entities will create a more transparent structure, but will not address the financial challenges of the company. The interruption caused by load shedding will have a negative impact on the costs that small businesses have to carry in various sectors. China struck an optimistic note on Monday as trade talks resumed with the US, but also expressed anger at U.S. Navy mission through the disputed South China Sea, casting a shadow over the prospect for improved Beijing-Washington ties.

Maize: US maize prices slipped below the recent trading range and have continued trading lower after Friday's USDA reports on Friday and spill over weakness from soybean prices yesterday. US maize export inspections for the week ending February 7 reached 744 410 tons, which is moderately below the prior week's tally of 901 930 tons; Japan was the number one destination last week, with 247 849 tons. EU maize imports for 2018/19 have reached. According to the European Commission, EU maize imports for the 2018/19 topped 1.5 million tons as of February 10, which is 43% higher year-over-year. Russia expects maize exports for February to reach 149 898 tons; if realised it would be the lowest since September 2018 and 30% below the prior seven months. **Local:** Local maize prices traded significantly lower yesterday. March white maize contracts traded to a high of R 2755 and a low of R2683 before closing the day at session lows.

Soybeans: US soybean prices trended 1% lower yesterday due to US-China trade worries, coupled with the prospect of improving South American weather – although another Brazilian consultancy lowered its production estimates earlier yesterday. Private exporters reported to USDA the sale of 119 760 tons of soymeal for delivery to Ecuador with half for delivery during the 2018/19 and the other half in 2019/20. A Brazilian consultancy firm has lowered their soybean projections for 2018/19 by another 4 million tons to 112 520 tons, due moderate drought suffered by key producing areas of the country. Soybean harvest for Brazil is about 26% complete according to reports. US soybean export shipments for the week ending February 7 reached 1.06 million tons, slightly lower than the prior week's total of 1.09 million tons. **Local:** Local soybean prices traded lower yesterday. March soybean contracts traded to a high of R2781 and a low of R4740 before closing the session off at R4750.

Wheat: Wheat prices have mostly strengthened on Monday, as export optimism has fuelled a round of technical purchases. Private exporters reported to the USDA large wheat sales on Monday. The first was for 127 thousand tons of HRW for delivery to Egypt during the 2018/19 marketing year, which started on June 1. The second was for 119 thousand tons for delivery to Egypt in 2018/19. In addition, Indonesian importers last week bought 59 thousand tons of US soft red winter wheat. Soft wheat exports in the EU for 2018/19 reached 10 million tons from 10 February. According to the European Commission, it is 22% lower than the previous sales season. Russia's wheat exports for February are expected to reach 2 million tons. **Local:** The wheat traded yesterday between R4 564 and R 4 515 and the market closed at R4560.

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

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