

### Grain SA's Morning Grain Market Commentary

DATE 2018/01/12	DATE 2018/01/11		+ - LAST WEEK 2018/01/01		AT THE MONEY PUT OPTION							
	Δ	Δ%	Data	Δ%	Data	WM	YM					
DJIA-index	25575	205.60 ↑	0.8%	25369	3.5%	24719	JULY '18 FUTURES PRICE	R 2 170.00	R 2 121.00			
Goud (Spot)	1328.61	10.21 ↑	0.8%	1318.40	1.9%	1303.59	PUT STRIKE PRICE	R 2 180.00	R 2 120.00			
Brent \$/vat	69.23	0.14 ↑	0.2%	69.09	3.2%	67.11	PUT PREMIUM	R 189.92	R 158.52			
1 € / US\$	1.2042	0.01 ↑	0.8%	1.1950	0.1%	1.2025	MINIMUM SAFEX PRICE	R 1 990.08	R 1 961.48			
1 US\$ / ZAR	12.38	-0.070 ↓	-0.6%	12.45	0.5%	12.32						
Corn	R 1 696.06	-5 ↓	-0.3%	R 1 700.94			* CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Corn Dec 12:00 the previous day					
Wheat	R 1 969.66	-7 ↓	-0.3%	R 1 976.22			* CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day					
Soybeans	R 4 275.94	-88 ↓	-2.0%	R 4 364.16			* CBOT Soy Jan cents / bushel 08:00 today vs. CBOT Soy Jan 12:00 the previous day					
Latest CBOT prices during overnight trading					WEEK NR.		MAIZE EXPORTS					
Corn Mar 18	348.00	-1.00 ↓	-0.3%	349.00	-1%	350.75	36	WM	YM	TM		
Wheat Mar 18	433.00	1.00 ↑	0.2%	432.00	1%	427.00	WEEK TOTAL	3 243	2 084	5 327		
Soybeans Jan 18	940.00	-14.00 ↓	-1.5%	954.00	-1%	951.75	YTD TOTAL	546 063	1 208 654	1 754 717		
Latest MTM prices (SPOT = nearest contract month) (Rand / ton)							EXPORTABLE			2 500 000	1 850 000	4 350 000
Sorghum Mar '18	2850.00	0.00 ↑	0.0%	2850.00	0.0%	2850.00	YTD AS % OF EXPORTABLE	22%	65%	40%		
WMAZ Spot	2031.00	68.00 ↑	3.5%	1963.00	8.6%	1870.00	PACE/WEEK NEEDED	122 121	40 084	162 205		
WMAZ Mar 18	2069.00	68.00 ↑	3.4%	2001.00	8.9%	1900.00	MAIZE PRODUCER DELIVERIES					
WMAZ Jul 18	2170.00	66.00 ↑	3.1%	2104.00	8.2%	2005.00	WEEK TOTAL	4 553	1 742	6 295		
YMAZ Spot	2020.00	26.00 ↑	1.3%	1994.00	4.4%	1934.00	YTD TOTAL	9 037 786	6 136 515	15 174 301		
YMAZ Mar 18	2058.00	31.00 ↑	1.5%	2027.00	4.6%	1967.00	CEC ESTIMATE + ADJUSTMENTS	9 642 750	6 451 250	16 094 000		
YMAZ Jul 18	2121.00	28.00 ↑	1.3%	2093.00	3.4%	2052.00	% CROP DELIVERED	94%	95%	94%		
SOY Spot	4593.00	58.00 ↑	1.3%	4535.00	1.1%	4542.00	PACE/WEEK NEEDED	37 810	19 671	57 481		
SOY May 18	4636.00	2.00 ↑	0.0%	4634.00	0.0%	4635.00	WHEAT IMPORTS					
SUN Spot	4750.00	57.00 ↑	1.2%	4693.00	8.2%	4390.00	2017/18	2016/17	5 Yr. AVG			
SUN May 18	4726.00	83.00 ↑	1.8%	4643.00	6.9%	4423.00	WEEK TOTAL	-	-	23 489		
WHEAT Spot	3683.00	-17.00 ↓	-0.5%	3700.00	-0.3%	3693.00	YTD TOTAL	625 073	79 214	359 265		
WHEAT Mar 18	3743.00	-26.00 ↓	-0.7%	3769.00	-0.4%	3757.00	TOTAL NEEDED	2 000 000	930 728	1 568 763		
WHEAT May 18	3814.00	-19.00 ↓	-0.5%	3833.00	-2.6%	3842.00	YTD AS % OF NEEDED	31%	8.5%	23%		

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

**Market overview:** The rand is trading at R12.37/\$ this morning stronger than the R12.45/\$ the market traded at yesterday with market closing. There are currently still no big new news that have entered the market and that would have a significant impact on the value of the rand and therefore the rand is trading relatively stable in the current ranges between R12.30/\$ and R12.50/\$. The traders will be watching the local political situation and in the next few weeks the build up to the president's State of the Nation address and the budget speech by the minister of finance will be two very important factors that will be watched in the markets and will have an impact on the exchange rate.

**Maize:** The US maize prices showed very little movement yesterday as the market are now mostly waiting to see the outcomes of the WASDE report which will be released later today. The US market closed slightly lower yesterday for the March contract, while the May futures closed mostly unchanged yesterday. The expectations for the WASDE report is that the US and world stock levels are likely to be left unchanged from the previous estimate which already reported large volumes. In yesterday's USDA weekly maize export sales report the exports rebounded good after it reached a weekly marketing year low two weeks ago. The exports for the week was still lower than the average trade estimates. The maize export shipments was 35% higher than the previous week's shipment and 38% higher than the four week average. The top destination for the US exports was Mexico. The EU maize imports has increased more than 26% year on year in the 2017/18 marketing season. **Local:** The local maize market found some good support yesterday and traded mostly higher for the day in all the contract months which is listed currently for both white and yellow maize. The market found support as there are still concerns regarding the weather conditions and rain especially in the western parts of the country.

**Soybean:** US soybean prices carried its losses into the 4<sup>th</sup> straight day, pressured by improved weather conditions in South America and bearish expectations for the USDA supply and demand estimates which will be released today. Weekly soybean export sales volumes were slightly higher than the week prior at 617 788 tons of old and new crop sales. Last week's export sales were reported at 560 636 tons. The weekly sales were however behind trade estimates but were well ahead of the weekly pace needed to reach USDA's forecast. Elsewhere, due to some dryness which occurred, Argentina's soybean area planted is expected to decline slightly by 0.4%. Brazil on the other hand could land on a record breaking soybean production of 114 million tons. **Local:** South African soybean prices managed to end the 4<sup>th</sup> day higher, posting good gains for the spot and March 18 futures. The rand, which trades in tight range this week was slightly weaker as markets closed yesterday and that could have supported local soybean prices higher.

**Wheat:** Wheat prices ended the day lower, with the exception of the hard red which closed higher for the March contract, meanwhile the July contract remained unchanged. Wheat prices had a mixed reaction ahead of the USDA supply and demand estimates. Weekly export sales totalled 70 760 tons, which was well below trade estimates of 351 078 tons. Export sales are running behind the pace needed to meet USDA's forecast. In general, wheat exports are slower, with European wheat exports falling behind 20% from a year prior as of January. **Local:** South African wheat prices also came under pressure, closing moderately lower for all contract months. Wheat prices were mainly pressured by lower international prices, with the spot ending lower by 0.5% at R3 683 per ton.

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

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

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