

Grain SA's Morning Grain Market Commentary

DATE 2018/06/13	DATE 2018/06/12		+ - LAST WEEK 2018/06/04		AT THE MONEY PUT OPTION		
	Data	Δ	Δ%	Data	Δ%	Data	
DJIA-index	25321	-1.58	0.0%	25322	2.8%	24635	JULY '18 FUTURES PRICE R 2 070.00 R 2 183.00
Goud (Spot)	1294.64	-3.08	-0.2%	1297.72	0.3%	1290.93	PUT STRIKE PRICE R 2 080.00 R 2 180.00
Brent \$/vat	75.42	-0.89	-1.2%	76.31	-1.4%	76.47	PUT PREMIUM R 42.36 R 37.97
1 € / US\$	1.1735	-0.01	-0.5%	1.1793	0.4%	1.1693	MINIMUM SAFEX PRICE R 2 037.64 R 2 142.03
1 US\$ / ZAR	13.32	0.170	1.3%	13.15	5.5%	12.63	
Corn	R 1 979.01	61	3.2%	R 1 917.52	*CBOT Corn Jul cents / bushel 08:00 today vs. CBOT Jul 12:00 the previous day		
Wheat	R 2 615.49	124	5.0%	R 2 491.27	* CBOT Wheat Jul cents / bushel 08:00 today vs. CBOT WheatJul 12:00 the previous day		
Soybeans	R 4 669.13	21	0.5%	R 4 648.19	* CBOT Soy Jul cents / bushel 08:00 today vs. CBOT Soy Jul 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 July 18	377.40	7.00	1.9%	370.40	6		
Wheat July 18	534.40	18.80	3.6%	515.60	WEEK TOTAL WM 6 703 YM 20 400 TM 27 103		
Soybeans July 18	954.00	-8.00	-0.8%	962.00	YTD TOTAL 64 560 247 546 312 106		
Latest MTM prices (SPOT = nearest contract month (Rand / ton))					EXPORTABLE 1 550 000 2 455 000 4 005 000		
SORGHUM Jul '18	3070.00	0.00	0.0%	3070.00	YTD AS % OF EXPORTABLE 4% 10% 8%		
WMAZ Jun 18	2056.00	-27.00	-1.3%	2083.00	PACE/WEEK NEEDED 32 292 47 988 80 280		
WMAZ Jul 18	2070.00	-25.00	-1.2%	2095.00	MAIZE PRODUCER DELIVERIES		
WMAZ Sep 18	2127.00	-25.00	-1.2%	2152.00	WEEK TOTAL 53 188 128 122 181 310		
YMAZ Jun 18	2158.00	-21.00	-1.0%	2179.00	YTD TOTAL 378 093 649 018 1 027 111		
YMAZ Jul 18	2183.00	-18.00	-0.8%	2201.00	CEC FORECAST + ADJUSTMENT 6 379 660 5 797 150 12 176 810		
YMAZ Sep 18	2237.00	-19.00	-0.8%	2256.00	% OF HARVESTED DELIVERIES 6% 11% 8%		
SOY Jun 18	4404.00	4.00	0.1%	4400.00	PACE/WEEK NEEDED 157 936 135 477 293 413		
SOY Jul 18	4444.00	-5.00	-0.1%	4449.00	WHEAT IMPORTS		
SUN Jun 18	4607.00	-8.00	-0.2%	4615.00	2017/18 2016/17 5 Yr. AVG		
SUN Jul 18	4643.00	-1.00	0.0%	4644.00	WEEK TOTAL 28 932 - 18 080		
WHEAT Jun 18	3867.00	6.00	0.2%	3861.00	YTD TOTAL 1 335 343 555 242 1 058 307		
WHEAT Jul 18	3918.00	-7.00	-0.2%	3925.00	TOTAL NEEDED 1 930 000 930 728 1 622 999		
WHEAT Sep 18	3955.00	4.00	0.1%	3951.00	YTD AS % OF NEEDED 69% 60% 65%		

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

Market Overview: The rand has fell sharply from the levels at which it traded on yesterday afternoon and traded at R13.32 / \$ this morning. The rand was mainly under pressure due to the expectation that the US Federal Reserve Bank would raise interest rates by 25 basis points. The FED's Policy Committee meeting started yesterday and the results will be announced later today. In general, emerging countries' exchange rates have been under pressure as the markets have already begun to trade in an possible increase in US interest rates. The European Central Bank's (ESB) policy Committee meeting begins Thursday and it is expected that the EU should possibly limit their quantitative easing slightly. In the local economy, the business confidence index will be announced later today, while mining and retail sales figures will be announced tomorrow.

Maize: The American maize market found good support yesterday and closed significantly stronger for the day after the latest WASDE report announced yesterday was positive for international prices. The USDA indicated in the latest report that the closing stock for both the 2017/18 and 2018/19 season would be lower than expected in the previous forecast. The world's final stocks for the 2017/18 season is estimated at 192.69 million tons with the previous estimate that was left at 194.85 million tons. The final stocks for the 2018/19 season is estimated at 154.69 million tons, which is approximately 4.46 million tons lower than the previous estimate of 159.15 million tons. The global demand for maize has increased sharply, and the average productions for the season in the largest producing countries are also considerably lower than last season's production. Private exporters reported export sales of approximately 152 000 tons to the USDA for delivery to Mexico with the approximately 75% for delivery in the 2017/18 season while the balance will be delivered in the 2018/19 season. Production conditions in the USA are still good and the latest weekly production progress report shows that production conditions are 77% good to excellent. In other international news, Brazil's forecast is that the follow-up maize production for the season would be about 7.5% lower than last season's production. Brazilian ethanol production fell back in the first half of May and was about 16% lower. South Korea purchased about 71 000 tons of maize on an international tender from optional origin for delivery in November. **Local:** The local maize market was under pressure yesterday and traded lower for the day in most of the contract months currently listed for both white and yellow maize. Yesterday's weekly export report, announced by SAGIS, reported YM exports for the week of 20 400 tons and WM exports at 6 703 tons. The year to date exports are 312 106 tons.

Soybeans: The American soybean prices traded mixed yesterday and initially found good support, but could not hold it and ultimately closed only slightly stronger for the day. The latest WASDE report released yesterday also indicated that soybean stocks for the US should be lower than reported in the previous report while the world's ending stocks is expected to be slightly higher for both 2017/18 and 2018 / 19 season. The world's ending stock for the 2017/18 season is estimated at 92.49 million tons, which is marginally higher than the previous forecast. The 2018/19 season's world ending stocks is estimated at 87.02 million tons against the previous estimate's 86.70 million tons. New season plantings in the USA have progressed well and are significantly better than average, while production conditions in the USA are also very favourable and are estimated at 74% good to excellent. In Brazil, the soybean production forecast for the season was higher and total production is expected to be about 3.5% higher for the season from last season's production. **Local:** The local soybean market did not show large price movements yesterday and traded slightly lower for the day in most of the contract months currently listed.

Wheat: The American wheat market found good support yesterday and traded higher for the day mainly due to mixed data announced in the latest WASDE report together with adverse weather conditions in major producing regions. The latest WASDE report indicated that the world wheat ending stocks for the 2017/18 season would be around 272.37 million tons. It is about 1.9 million tons higher than the previous month's estimate and the highest closing stock still in history. The world's ending stocks for the 2018/19 season is estimated at 266.16 million tons, which is 1.83 million tons higher than the previous forecast. The USDA cut Russia's production forecast for the season about 3.7 million from the previous forecast with the difficult production conditions currently under way. Ukraine's forecast is that production for the season would be about 3% lower than last season's production. **Local:** The local wheat market traded yesterday but did not show large price movements for the day. Yesterday's weekly SAGIS import and export report showed that weekly imports were 28 932 tons, bringing total imports for the season to 1.335 million tons.

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

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