

Grain SA's Morning Grain Market Commentary

DATE 2018/02/14	DATE 2018/02/13			+ - LAST WEEK 2018/02/05			AT THE MONEY PUT OPTION			
	Data	Δ	Δ%	Data	Δ%	Data		WM	YM	
DJIA-index	24640	39.18	0.2%	24601	-0.2%	25521		R 1 934.00	R 2 002.00	
Goud (Spot)	1334.84	8.92	0.7%	1325.92	-0.7%	1330.32		R 1 940.00	R 2 020.00	
Brent \$/vat	62.80	-0.19	-0.3%	62.99	0.3%	67.87		R 121.64	R 123.20	
1 € / US\$	1.2378	0.01	0.8%	1.2320	-0.5%	1.2458				
1 US\$ / ZAR	11.93	0.030	0.3%	11.90	-0.3%	12.03				
Corn	R 1 718.95	0	0.0%	R 1 718.95						
Wheat	R 2 016.42	1	0.0%	R 2 015.72						
Soybeans	R 4 431.74	64	1.5%	R 4 368.13						
Latest CBOT prices during overnight trading (Recorded between 6 a.m. to 07:00 am vs 12:00 pm the previous trading)							WEEK NR.			
Corn Mar 18	366.00	0.00	0.0%	366.00			40	WM	YM	TM
Wheat Mar 18	460.00	-1.00	-0.2%	461.00				6 481	45 112	51 593
Soybeans Jan 18	1011.00	12.00	1.2%	999.00				575 105	1 316 994	1 892 099
Latest MTM prices (SPOT = nearest contract month (Rand / ton))							MAIZE EXPORTS			
SORGHUM Mar '18	3000.00	0.00	0.0%	3000.00				2 500 000	1 850 000	4 350 000
WMAZ Spot	1803.00	-11.00	-0.6%	1814.00				23%	71%	43%
WMAZ Mar 18	1815.00	-12.00	-0.7%	1827.00				160 408	44 417	204 825
WMAZ Jul 18	1924.00	-10.00	-0.5%	1934.00						
YMAZ Spot	1895.00	-10.00	-0.5%	1905.00						
YMAZ Mar 18	1906.00	-56.00	-2.9%	1962.00						
YMAZ Jul 18	1988.00	-14.00	-0.7%	2002.00						
SOY Spot	4536.00	0.00	0.0%	4536.00						
SOY May 18	4663.00	-2.00	0.0%	4665.00						
SUN Spot	4750.00	20.00	0.4%	4730.00						
SUN May 18	4721.00	-49.00	-1.0%	4770.00						
WHEAT Spot	3608.00	-27.00	-0.7%	3635.00						
WHEAT Mar 18	3610.00	-43.00	-1.2%	3653.00						
WHEAT Jul 18	3731.00	-39.00	-1.0%	3770.00						
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS							WHEAT IMPORTS			
							2017/18			
							2016/17			
							5 Yr. AVG			
							WEEK TOTAL			
							YTD TOTAL			
							TOTAL NEEDED			
							YTD AS % OF NEEDED			

Market Overview: The rand is trading slightly weaker than yesterday midday, but still remains below the R12 level. The local currency reversed its gains after it was announced that there was no specific deadline on recalling President Jacob Zuma. There is therefore a little uncertainty regarding the future of the current President, which has added volatility to the rand. At the time of writing, the rand was trading at around R11.93 to the dollar. On the economic news released by Statistics SA, South Africa's unemployment rate decreased by 1% from 27.7% in the second and third quarter of 2017, to 26.7% in the fourth quarter of 2017. In total, the country's unemployment decreased by 330 000, while employment decreased by just 21 000. Agriculture employment added 39 000 jobs in the 4th quarter.

Maize: US maize prices finished the day slightly flat, mainly at the back of technical selling. Maize prices started the week slightly high, which were at the back of good momentum of the soybean and wheat price gains obtained on Monday. The long term trend of US maize prices however indicates an upward steep from mid-January, which was mainly at the back of good demand that resulted in positive export volumes as well as harsh dry weather conditions that threatened Argentina's production. Recently, maize export sales were a little lower than the week prior, totaling 835 704 tons, 27% lower than a week prior. Local: South African maize prices continued lower, for the second straight day, pressured by a stronger rand as markets closed. Both white and yellow maize posted modest losses for all key contract months. The local prices are also tracking export data which is currently an indicator of expected ending stocks, and prices have continued to remain under pressure due to lower-than-expected export data and higher-than-expected ending stocks. In the recent trade data released by SAGIS, WM weekly exports amounted to 7 0005 while YM exports totaled 22 387 tons. Leading destination for YM exports was South Korea and Taiwan. Total maize exports now amount to 1.9 million tons.

Soybeans: US soybean prices continued higher for the second consecutive day, once again posting double-digit gains. Soybean prices are currently trading at a 10-week high, amid ongoing adverse weather conditions in Argentina. Argentina's soybean crop production is currently estimated at 54 million tons, down from 56 million in the previous USDA world supply and demand estimates. Soybean prices also found support from recent positive export data. Last week, USDA reported weekly sales amounting to 1.306 million tons, meanwhile USDA also announced an export of 313 000 tons to unknown destinations. South America's soybean production has been hampered by weather conditions, as Brazil's soybean harvest has been delayed by rains, which affected some soybean that has already been harvested. Local: South African soybean prices were unable to sustain the gains obtained on Monday's session, as the prices closed mostly flat on Tuesday, with most contract months remaining unchanged. Soybean prices, which follow the trend of international prices, were limited off any gains, pressured by a relatively stronger rand. The March and May contract months posted small losses, meanwhile the July contract was the exception, pulling off small gains.

Wheat: US wheat prices retracted some of its gains obtained on Monday, closing lower for both winter and spring wheat, despite the dry weather persisting in the Plains. US winter wheat is currently approaching a key production phase and dry weather across the Plains could damage the development of crop production. Wheat prices had found support at the back of drought-like conditions, with limited snow cover. Elsewhere, production is also expected to decline after France's Farm Ministry revised down soft wheat output again due to a reduction in the harvested area. Iraq is also concerned that dry weather conditions could reduce its 2018 wheat and barley production by as much as 20%. Last week's report on US wheat exported topped 487 154 tons, with Japan as one of the leading destinations. This week, Japan is in search of 84 000 tons of quality wheat from either the US, Canada or Australia. Local: South African wheat prices ended the day lower, for all contract months. Wheat prices sustained moderate losses at the back of lower international prices and a stronger local unit. In the weekly SAGIS data, weekly wheat imports amounted to 65 268 tons, which was the highest import volume since November 2017. Wheat imports for the season currently amount to 826 184 tons. Weekly exports came up to 542, bringing the season total to 9 274 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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