

Grain SA's Morning Grain Market Commentary

Grain SA GRAIN SA CITIZEN SA	DATE	DATE		+ - LAST WEEK		AT THE MONEY PUT OPTION			
	2018/09/14	2018/09/13		2018/09/03					
	Data	Δ	Δ%	Data	Δ%	Data	JUL '19 FUTURES PRICE	WM	YM
DJIA-index	26146	147.07	0.6%	25999	1.4%	25790	R 2 545.00	R 2 537.00	
Goud (Spot)	1205.18	0.72	0.1%	1204.46	-0.1%	1206.34	R 2 540.00	R 2 540.00	
Brent \$/vat	77.86	-1.83	-2.3%	79.69	3.4%	75.32	R 229.22	R 230.63	
1 € / US\$	1.1691	0.01	0.6%	1.1616	0.6%	1.1617	MIN SAFEX PRICE R 2 310.78 R 2 309.37		
1 US\$ / ZAR	14.77	-0.060	-0.4%	14.83	3.6%	14.26			
Corn	R 1 961.86	-36	-1.8%	R 1 997.85	*CBOT Corn Sep cents / bushel 08:00 today vs. CBOT Sep 12:00 the previous day				
Wheat	R 2 566.99	-57	-2.2%	R 2 624.28	*CBOT Wheat Sep cents / bushel 08:00 today vs. CBOT Wheat Sep 12:00 the previous day				
Soybeans	R 4 472.97	-40	-0.9%	R 4 512.94	*CBOT Soy Sep cents / bushel 08:00 today vs. CBOT Soy Sep 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 Sep 18	337.40	-4.80	-1.4%	342.20	Daily parity prices delivered in Randfontein. WEAT BDN				
Wheat Sep 18	473.00	-8.60	-1.8%	481.60	import par not export par				
Soybeans Sep 18	824.20	-4.00	-0.5%	828.20	WEEK TOTAL 4 623 3 767 8 390				
Latest MTM prices (SPOT = nearest contract month (Rand / ton))						YTD TOTAL 142 949 1 071 083 1 214 032			
SORGHUM Mar '19	3600.00	0.00	0.0%	3600.00	3970.00	2236.00	EXPORTABLE 1 550 000 2 455 000 4 005 000		
WMAZ Spot	2372.00	-59.00	-2.4%	2431.00	4127.00	2005.00	YTD AS % OF EXPORTABLE 9% 44% 30%		
WMAZ Dec 18	2437.00	-72.00	-2.9%	2509.00	3645.00	2150.00	PACE/WEEK NEEDED 42 638 41 937 84 575		
WMAZ Jul 19	2545.00	-75.00	-2.9%	2620.00	3726.00	2229.00	WEEK TOTAL 96 939 41 805 138 744		
YMAZ Spot	2424.00	-63.00	-2.5%	2487.00	3645.00	2005.00	YTD TOTAL 5 716 008 5 040 159 10 756 167		
YMAZ Dec 18	2495.00	-69.00	-2.7%	2564.00	3645.00	2150.00	CEC FORECAST + ADJUSTMENT 6 379 660 5 797 150 12 176 810		
YMAZ Jul 19	2537.00	-62.00	-2.4%	2599.00	3726.00	2229.00	% OF HARVESTED DELIVERIES 90% 87% 88%		
SOY spot	4530.00	0.00	0.0%	4530.00	6654.00	4552.00	PACE/WEEK NEEDED 26 546 30 280 56 826		
SOY May 19	4837.00	2.00	0.0%	4835.00	6990.00	4870.00	WHEAT IMPORTS		
SUN Spot 18	5110.00	-27.00	-0.5%	5137.00	6659.00	5072.00	2017/18 2016/17 5 Yr. AVG		
SUN May 19	5050.00	-45.00	-0.9%	5095.00	6990.00	4870.00	WEEK TOTAL 85 086 30 722 24 703		
WHEAT spot 18	4380.00	-34.00	-0.8%	4414.00	4873.00	4553.00	YTD TOTAL 2 061 091 630 109 1 199 879		
WHEAT Dec 18	4530.00	-35.00	-0.8%	4565.00	5227.00	4907.00	TOTAL NEEDED 1 950 000 934 765 1 622 999		
WHEAT Mar 19	4640.00	-44.00	-0.9%	4684.00	5109.00	4790.00	YTD AS % OF NEEDED 106% 67% 74%		

Market Overview: The rand traded at R14.76 / \$ this morning and further strengthened from the levels at which it traded on at market closing yesterday. The support in the exchange rate can be attributed mainly to international factors with emerging countries whose currencies have found support against the dollar. The rand also strengthened after the rating agency Moody's announced that South's credit rating prospects are stable and that they do not going to downgrade the country's credit status despite the difficult economic conditions and the policy uncertainty currently in the market. In the latest mining sector data announced by Statistics SA, it was shown that the mining sector shrank 5.2% in July. It was the lowest in 3 months.

Maize: The American maize market was under pressure yesterday and traded lower for the day with the expectation that US production for the season will be close to record levels this season. The market was also under pressure as a result of an spillover effect from the wheat market which was under pressure. Both the September and December futures contracts closed lower for the day. Yesterday's weekly export sales report announced by USDA indicated that 774 000 tons of new season sales were made with Mexico as the largest buyer of American maize for the week. There was also a total of approximately 2.9 million tons of maize export sales that were transferred from 2017/18 season to the 2018/19 season. The maize export shipments reported last week were 264 000 tons. Total exports for the 2017/18 season were about 4% more than last year's exports. Private exporters reported export sales of 142 000 tons yesterday for delivery to Costa Rica in the 2018/19 season. In other international news, the EU's maize production for the season is expected to be about 5% lower than the previous season's production. China sold 2.9 million tons of state reserves of maize on an auction which is approximately 73% of the total offered at the auction. **Local:** The local maize market came under pressure yesterday traded lower for the day in most of the contract months currently listed for both white and yellow maize. Yesterday's weekly SAGIS export report did not report large volumes of exports for the week, and total exports for the week were reported at 8 390 tons. The total for the season so far is 1,214 million tons.

Soybean: US soybean prices slid lower yesterday as traders continue to worry about unresolved trade issues between US and China, with a potentially record-breaking crop expected for the US. US soybean export sales reached 694 066 tons in new crop sales, with Egypt being the number one destination. Old crop sales carried over from 2017/18 marketing year, which ended August 31 totalled 2.4 million tons. Private exporters reported to the USDA two large soybean sales, firstly to Mexico 108 873 tons for delivery in 2018/19 and secondly to an unknown destination 119 760 tons with delivery split between 2018/19 and 2019/20. **Local:** Local soybean contracts opened the day lower with some buying seen thereafter. December soybean contracts started the day at R4640, which was also the intraday low of the session, with the market gaining some strength and trading at a high of R4678 and pulled it off to the close of the session.

Wheat: US wheat prices were hampered by prospects of large wheat exports by Russia, with the USDA anticipating a higher production for that country. US wheat export sales reached 386 499 tons last week, which is 2% ahead of the previous week's total. EU soft red wheat forecasts are down for the 7th month in a row to 126 million tons - an 11% drop from a year ago and the lowest amount in six years; expected ending stocks are around 10 million tons. China has purchased 484 485 tons of wheat state reserves at an auction yesterday, this was one third of what they had available for sale. Saudi Arabia plans to import another 596 080 tons of wheat in November and December to meet local demand and secure its strategic reserves. **Local:** Local wheat prices opened the day lower with some buying interest seen thereafter. December wheat contracts opened the day at R4500 which was also the intraday low of the session, the market then gained some strength and traded to a high of R4535 and ended off in the highs.

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

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