

### Grain SA's Morning Grain Market Commentary

DATE 2018/08/15	DATE 2018/08/14			+ - LAST WEEK 2018/08/06		AT THE MONEY PUT OPTION			
	Data	Δ	Δ%	Data	Δ%	Data	WM	YM	
DJIA-index	25300	111.99	0.4%	25188	-0.5%	25427	DEC '18 FUTURES PRICE	R 2 396.00	R 2 462.00
Goud (Spot)	1186.86	-6.96	-0.6%	1193.82	-2.3%	1215.41	CALL STRIKE PRICE	R 2 400.00	R 2 460.00
Brent \$/vat	72.17	-0.64	-0.9%	72.81	-1.8%	73.51	CALL PREMIUM	R 140.86	R 131.92
1 € / US\$	1.1328	-0.01	-0.8%	1.1414	-1.9%	1.1553	BREAKEVEN SAFEX PRICE	R 2 540.86	R 2 591.92
1 US\$ / ZAR	14.37	0.310	2.2%	14.06	7.8%	13.33			
Corn	R 2 049.03	66	3.3%	R 1 982.68			* CBOT Corn Sep cents / bushel 08:00 today vs. CBOT Sep 12:00 the previous day		
Wheat	R 2 859.69	96	3.5%	R 2 763.90			* CBOT Wheat Sep cents / bushel 08:00 today vs. CBOT Wheat Sep 12:00 the previous day		
Soybeans	R 4 584.16	115	2.6%	R 4 468.73			* 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	362.20	4.00	1.1%	358.20		15	WM	YM	TM
Wheat Sep 18	541.60	6.60	1.2%	535.00			5 095	122 918	128 013
Soybeans Sep 18	868.20	3.20	0.4%	865.00			109 321	857 617	966 938
Latest MTM prices (SPOT = nearest contract month (Rand / ton))						Import parity	Export parity	EXPORTABLE	
Sorghum Mar '19	3600.00	0.00	0.0%	3600.00	3970.00	2236.00	YTD TOTAL	1 550 000	2 455 000
WMAZ Spot	2235.00	-39.00	-1.7%	2274.00	4127.00	2005.00	YTD AS % OF EXPORTABLE	7%	35%
WMAZ Sep 18	2260.00	-36.00	-1.6%	2296.00	3645.00	2150.00	PACE/WEEK NEEDED	38 937	43 173
WMAZ Dec 18	2353.00	-43.00	-1.8%	2396.00	3726.00	2229.00	MAIZE PRODUCER DELIVERIES		
YMAZ Spot	2292.00	-43.00	-1.8%	2335.00	3645.00	2005.00	WEEK TOTAL	540 612	273 202
YMAZ Sep 18	2319.00	-46.00	-1.9%	2365.00	3645.00	2150.00	YTD TOTAL	3 591 049	3 916 321
YMAZ Dec 18	2416.00	-46.00	-1.9%	2462.00	3726.00	2229.00	CEC FORECAST + ADJUSTMENT	6 379 660	5 797 150
SOY spot	4440.00	-20.00	-0.4%	4460.00	6654.00	4552.00	% OF HARVESTED DELIVERIES	56%	68%
SOY Sep 18	4481.00	-12.00	-0.3%	4493.00	6990.00	4870.00	PACE/WEEK NEEDED	96 159	64 856
SUN Spot 18	4930.00	34.00	0.7%	4896.00	6659.00	5072.00	WHEAT IMPORTS		
SUN Sep 18	4971.00	35.00	0.7%	4936.00	6990.00	4870.00	2017/18	2016/17	5 Yr. AVG
WHEAT spot 18	4250.00	-12.00	-0.3%	4262.00	4873.00	4553.00	WEEK TOTAL	21 699	30 722
WHEAT Sep 18	4269.00	-35.00	-0.8%	4304.00	5227.00	4907.00	YTD TOTAL	1 730 283	630 109
WHEAT Dec 18	4340.00	-54.00	-1.2%	4394.00	5109.00	4790.00	TOTAL NEEDED	1 950 000	934 765
							YTD AS % OF NEEDED	89%	67%

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

**Market Overview:** The rand traded at R14.37 / \$ this morning and has sharply fallen back from the levels at which it traded on at market closing yesterday. The rand was very volatile during the first two days of the week and varied by more than R1 / \$. The volatility in the exchange rate can largely be attributed to international factors that impact on the local currency. In yesterday's monthly mining manufacturing figures that were announced, it was indicated that the sector's production increased by 2.8% during June. This is higher than the general expectation in the market and thus helped the mining sector grow in the 2nd quarter of 2018, which is more positive. The mining sector contributes a large proportion of local GDP. The weakening of the rand also contributed to the more favorable production output. Later today, retail sales for June are announced by Statistics SA, which will also be a good indication of the well-being of the local economy.

**Maize:** The American maize market found support yesterday and traded stronger for the day to make up on some of Monday's losses in the market. Both the September and December contracts closed higher for the day. However, the US market should still remain under pressure in the next few weeks, with the expectation that the USA will have a good crop this season with good yields expected. However, in the next few weeks, weather conditions will be monitored by the market that can keep the market volatile. The weekly production conditions report announced yesterday indicated that production conditions are 70% good to excellent 1% lower than last week's estimate, but still 8% better than last season's estimate at the same time of year. **Local:** The local market came sharply under pressure yesterday and generally traded lower for the day in most of the contract months of both white and yellow maize currently listed. The volatility of the exchange rate also largely contributes to the volatility observed in the markets over the past two days. The latest weekly producer delivery report is announced today by the USDA.

**Soybeans:** The American soybean market found support yesterday and traded higher for the day in both the August and September contracts. The soybean prices found support yesterday with soybean meal prices which increased about 2.5% yesterday. The soybean oil price dropped about 0.5% for the day. In the weekly production report, the USDA has reduced the soybean production conditions by about 1% lower than last week's forecast, and now stands at 66% good to excellent. The physiological progress of the American soybean crop progresses well with 96% of the crop currently blooming while 84% of the crop are setting pods. In Brazil, the producers are still expanding the soybean hectares and although the expansion of soybean hectares has grown considerably over the last 5 years, it is likely to increase further with the increased demand from China to Brazilian soybeans. **Local:** The local soybean market came under pressure yesterday and traded lower for the day in most of the contract months currently listed. The price movement that was seen in the market for the day was not great.

**Wheat:** The American wheat market found support yesterday and traded stronger for the day to make up some of Monday's losses in the market. Both the winter wheat markets as well as the spring wheat market traded stronger for the day in both the September and December contracts. The spring wheat production conditions were higher adjusted from last week's estimation and is now estimated at 75% good to excellent from the 74% of last week. The harvesting process of the spring wheat is reported at 35% completed, which is better than the 5-year average rate of 27% completed at this time of the season. The winter wheat harvesting process is reported at 94% done compared with the 5-year average of 96% completed at this time of year. In other international news, Egypt purchased the 420 000 tons of wheat on an international tender for delivery during September and October. **Local:** The local market came under pressure yesterday and traded lower for the day in most of the contract months currently listed. The wheat imports for the season have already been well advanced and the total imports for the season are already around 1.77 million tons of an estimated 1.95 million tons. The expectation is that there rest of the imports will take place within the next few weeks.

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

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