

### Grain SA's Morning Grain Market Commentary

GRAIN SA GRAAN SA	DATE	DATE		+ - LAST WEEK		AT THE MONEY PUT OPTION			
	2018/02/15	2018/02/14		2019/02/04					
	Data	Δ	Δ%	Data	Δ%	Data	WM	YM	
DJIA-index	25439	-103.88	-0.4%	25543	0.8%	25239	JUL '19 FUTURES PRICE	R 2 770.00	R 2 642.00
Goud (Spot)	1312.53	3.92	0.3%	1308.61	-0.2%	1314.55	PUT STRIKE PRICE	R 2 780.00	R 2 640.00
Brent \$/vat	64.58	1.54	2.4%	63.04	2.8%	62.8	PUT PREMIUM	R 210.34	R 122.20
1 € / US\$	1.1284	0.00	0.1%	1.1277	-1.3%	1.1432	MIN SAFEX PRICE	R 2 569.66	R 2 517.80
1 US\$ / ZAR	14.14	0.110	0.8%	14.03	5.7%	13.38			
Corn Mar 19	R 2 085.26	-6	-0.3%	R 2 091.13			*CBOT Corn Mar cents / bushel 08:00 today vs. CBOT Mar 12:00 the previous day		
Wheat Mar 19	R 2 634.15	-58	-2.1%	R 2 692.02			*CBOT Wheat Mar cents / bushel 08:00 today vs. CBOT Wheat Mar 12:00 the previous day		
Soybeans Mar 19	R 4 693.67	-31	-0.6%	R 4 724.17			*CBOT Soy Mar cents / bushel 08:00 today vs. CBOT Soy Mar 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 Mar 19	374.60	-4.00	-1.1%	378.60		41	WM	YM	TM
Wheat Mar 19	507.00	-15.20	-2.9%	522.20		WEEK TOTAL	8 300	5 135	13 435
Soybeans Jan 18	903.40	-13.00	-1.4%	916.40		YTD TOTAL	402 744	1 455 767	1 858 511
Latest MTM prices (SPOT = nearest contract month (Rand / ton))						Import parity	Export parity	EXPORTABLE	
SORGHUM Mar '19	3820.00	0.00	0.0%	3820.00	3467.00	1768.00	YTD AS % OF EXPORTABLE	27%	63%
WMAZ Spot	2717.00	-7.00	-0.3%	2724.00	3890.00	2113.00	PACE/WEEK NEEDED	99 751	76 748
WMAZ Mar 19	2743.00	2.00	0.1%	2741.00	3397.00	1906.00	MAIZE PRODUCER DELIVERIES		
WMAZ Jul 19	2856.00	3.00	0.1%	2853.00	3474.00	1982.00	WEEK TOTAL	2 095	6 507
YMAZ Spot	2622.00	15.00	0.6%	2607.00	3340.00	2113.00	YTD TOTAL	6 306 973	5 558 585
YMAZ Mar 19	2641.00	17.00	0.6%	2624.00	3397.00	1906.00	CEC FORECAST + ADJUSTMENT	6 601 560	5 779 650
YMAZ Jul 19	2677.00	-5.00	-0.2%	2682.00	3474.00	1982.00	% OF HARVESTED DELIVERIES	96%	96%
SOY spot	4833.00	73.00	1.5%	4760.00	6062.00	4022.00	PACE/WEEK NEEDED	98 196	73 688
SOY May 19	4878.00	110.00	2.3%	4768.00	6524.00	4465.00	WHEAT IMPORTS		
SUN Spot	5300.00	21.00	0.4%	5279.00	5862.00	4306.00	2018/19	2017/18	5 Jr. GEM
SUN May 19	5267.00	103.00	2.0%	5164.00	5862.00	4306.00	WEEK TOTAL	45 844	22 419
WHEAT Spot	4563.00	26.00	0.6%	4537.00	4465.00	4145.00	YTD TOTAL	235 911	696 321
WHEAT Mar 19	4577.00	15.00	0.3%	4562.00	4534.00	4214.00	TOTAL NEEDED	1 400 000	2 173 234
WHEAT May 19	4667.00	20.00	0.4%	4647.00	4772.00	4452.00	YTD AS % OF NEEDED	17%	32%

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

**Market overview:** The rand further weakened yesterday from R14.02 yesterday morning to R14.14 where it is trading at the moment. The rand is considered the world's most volatile currency. World stocks rose over US-China trade as the dollar strengthened against the euro. The unions say the unbundling of Eskom, as announced by the president, will be an expensive exercise that will further put the struggling power supply into debt. It was a week of government crisis management as Public Enterprises Minister Pravin Gordhan tried to force change in Eskom, Africa's largest electricity supplier. President Cyril Ramaphosa says there is no single solution to the Eskom crisis. DA leader Mmusi Maimane says Eskom needs to be privatized although President Cyril Ramaphosa has given assurances that it will remain state property. Moody's is likely to downgrade South Africa to junk status in 2019, unless something happens with projected tax collection and a rescue plan for Eskom. Earlier this week, DA MP Natasha Mazzone wrote to Speaker Baleka Mbete asking for an urgent motion for debate on the indebted Eskom. South African investors sought investment opportunities in short-term funds in 2018 to keep their investments in stocks safe. The mining industry is experiencing a severe setback as a result of strikes and load shedding. Sibanye-Stillwater says it can cut nearly 6,000 jobs due to gold mining restructuring.

**Maize:** US maize prices traded 1% lower on yesterday on some technical selling prompted by spill over weakness from soybeans and wheat. US maize exports for the week ending January 3 reached 459 587 tons, which came in 9% below the prior week's tally; this total was also below analysts' expectations, who expected the agency to report maize sales between 500 508 and 1.0 tons. Argentina's Rosario Grains Exchange expects the country's 2018/19 maize crop to reach a record production of 46.5 million tons, up from prior estimates of 44 million tons. France grain experts estimate that maize production for 2018/19 will trend slightly higher year on year reaching 60.2 million tons. **Local:** Local maize prices traded mixed yesterday. March white maize contracts traded to a low of R2695 and a high of R2785 and closed the session off at R2743.

**Soybeans:** Yesterday US soybean prices traded at their lowest since the year started, due to a round of dismal export data from the USDA yesterday prompting some technical selling. Soybean export sales for the week ending January 3 found a marketing-year low after total net reductions from China and unknown destinations outweighed gains from elsewhere across the world, leaving a total deficit of 612 411 tons for the week. The cancellations of Chinese purchases of US beans yesterday, was thought to be linked to the spread of African swine fever and a shrinking Chinese hog herd. This could also limit Chinese soybean imports in the future, even if a trade deal is ironed out. Argentina's soybeans are currently cheaper than US beans on the world market, which is also bearish for US soybean futures. According to Argentina's Rosario Grains Exchange expects the country's 2018/19 soybean crop could come in a bit better than previously expected, adding another 2 million tons from prior estimates to reach 52 million tons. China's soybean imports in January rose 29% month-over-month to reach 7.3 million tons; they are the world's biggest soybean importer. **Local:** Local soybean prices traded higher yesterday. March soybean contracts traded to a low of R4820 and a high of R4880 and closed the session off at R4874.

**Wheat:** Wheat prices fell sharply on Thursday amid exports and oversupply concerns. Wheat export sales ended at a marketing year low, which was 76% lower than the previous four weeks on average after net sales of 130 thousand tons for the week ended January 3. Analysts have expected bullish estimates, amounting to between 198 thousand and 500 thousand tons. The volume in soft red winter wheat decreased yesterday. In other foreign news, France's Strategy Grain says the European Union's softwheat production for 2018/19 can reach 126 million tons, which is 10.6% lower than the year before. The consultancy firm expects EU wheat production to recover to 146 million tonnes in 2019/20. Ukraine's Minister of Agriculture reports that most of the country's grain crops are in a satisfactory state. The country has about 7.5 million hectares of winter grain for harvesting. Algeria bought 598 thousand tons of wheat, which originates mainly from France. **Local:** The South African market strengthened with February contract which strengthened with R26 to R4563, March contract strengthened by R15 and traded against market closure at R4577.

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.gov](http://www.usda.gov)

Compiled by: Luan van der Walt and Ikageng Maluleke For any queries, contact [Ikageng@grainsa.co.za](mailto:Ikageng@grainsa.co.za)  
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