

### Grain SA's Morning Grain Market Commentary

| DATE   | DATE       |            |       |            | + - LAST WEEK |                       | AT THE MONEY PUT OPTION   |            |               |            |            |  |
|--|------------|------------|-------|------------|---------------|-----------------------|---|------------|---------------|------------|------------|--|
|  | 2018/03/14 | 2018/03/13 |       | 2019/03/04 |               | JUL '19 FUTURES PRICE |   | WM         |               | YM         |            |  |
| Data   | Δ          | Δ%         | Data  | Δ          | Data          | R                     |   | R          |               | R          |            |  |
| DJIA-index   | 25710      | 7.05       | 0.0%  | 25703      | -1.2%         | 26026                 |   |            |               |            |            |  |
| Goud (Spot)  | 1297.8     | -5.32      | -0.4% | 1303.12    | 0.2%          | 1295.76               | PUT STRIKE PRICE  | R 3 013.00 | R 2 724.00    | R 3 020.00 | R 2 720.00 |  |
| Brent \$/vat   | 67.07      | -0.51      | -0.8% | 67.58      | 2.7%          | 65.33                 | PUT PREMIUM   | R 215.31   | R 110.50      |            |            |  |
| 1 € / US\$   | 1.1315     | 0.00       | 0.1%  | 1.1308     | -0.4%         | 1.1361                | MIN SAFEX PRICE   |            | R 2 804.69    | R 2 609.50 |            |  |
| 1 US\$ / ZAR   | 14.48      | 0.020      | 0.1%  | 14.46      | 2.3%          | 14.15                 |   |            |               |            |            |  |
| Corn Mar 19  | R 2 036.21 | 9          | 0.4%  | R 2 027.70 |               |                       | *CBOT Corn Mar cents / bushel 08:00 today vs. CBOT Mar 12:00 the previous day         |            |               |            |            |  |
| Wheat Mar 19   | R 2 342.08 | -29        | -1.2% | R 2 370.72 |               |                       | * CBOT Wheat Mar cents / bushel 08:00 today vs. CBOT Wheat Mar 12:00 the previous day |            |               |            |            |  |
| Soybeans Mar 19  | R 4 729.91 | 30         | 0.6%  | R 4 700.00 |               |                       | * 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 day) |            |            |       |            |               |                       | WEEK NR.  |            |               |            |            |  |
| Corn Mar 19  | 357.20     | 1.00       | 0.3%  | 356.20     |               |                       | 45  |            | WM            | YM         | TM         |  |
| Wheat Mar 19   | 440.20     | -6.00      | -1.3% | 446.20     |               |                       | WEEK TOTAL  |            | 7 365         | 6 010      | 13 375     |  |
| Soybeans Jan 18  | 889.00     | 4.40       | 0.5%  | 884.60     |               |                       | YTD TOTAL   |            | 476 022       | 1 474 333  | 1 950 355  |  |
| Latest MTM prices (SPOT = nearest contract month (Rand / ton))   |            |            |       |            |               |                       | Import parity   |            | Export parity |            | EXPORTABLE |  |
| Sorghum Mar '19  | 3568.00    | 0.00       | 0.0%  | 3568.00    | 3467.00       | 1768.00               | YTD AS % OF EXPORTABLE  |            | 37%           | 70%        | 57%        |  |
| WMAZ Spot  | 2894.00    | -16.00     | -0.5% | 2910.00    | 4023.00       | 2130.00               | PACE/WEEK NEEDED  |            | 117 711       | 89 381     | 207 092    |  |
| WMAZ May 19  | 2957.00    | -17.00     | -0.6% | 2974.00    | 3490.00       | 2130.00               | MAIZE PRODUCER DELIVERIES   |            |               |            |            |  |
| WMAZ Jul 19  | 3013.00    | -18.00     | -0.6% | 3031.00    | 3530.00       | 2170.00               | WEEK TOTAL  |            | 5 234         | 6 218      | 11 452     |  |
| YMAZ Spot  | 2670.00    | 22.00      | 0.8%  | 2648.00    | 3200.00       | 1727.00               | YTD TOTAL   |            | 6 327 253     | 5 600 806  | 11 928 059 |  |
| YMAZ May 19  | 2719.00    | 20.00      | 0.7%  | 2699.00    | 3490.00       | 2130.00               | CEC FORECAST + ADJUSTMENT   |            | 6 340 000     | 5 620 000  | 11 960 000 |  |
| YMAZ Jul 19  | 2724.00    | 23.00      | 0.9%  | 2701.00    | 3530.00       | 2170.00               | % OF HARVESTED DELIVERIES   |            | 99.8%         | 99.7%      | 99.7%      |  |
| SOY spot   | 4772.00    | 29.00      | 0.6%  | 4743.00    | 6150.00       | 4240.00               | WHEAT IMPORTS   |            |               |            |            |  |
| SOY May 19   | 4854.00    | 18.00      | 0.4%  | 4836.00    | 6330.00       | 4370.00               | 2018/19   |            | 2017/18       | 5 Jr. GEM  |            |  |
| SUN Spot   | 5425.00    | 55.00      | 1.0%  | 5370.00    | 6140.00       | 4672.00               | WEEK TOTAL  |            | 28 676        | 53 262     | 28 359     |  |
| SUN May 19   | 5502.00    | 54.00      | 1.0%  | 5448.00    | 6140.00       | 4672.00               | YTD TOTAL   |            | 403 268       | 1 123 913  | 816 814    |  |
| WHEAT Spot   | 4540.00    | 6.00       | 0.1%  | 4534.00    | 4413.00       | 4039.00               | TOTAL NEEDED  |            | 1 600 000     | 2 173 234  | 1 727 637  |  |
| WHEAT May 19   | 4610.00    | 18.00      | 0.4%  | 4592.00    | 4427.00       | 4107.00               | YTD AS % OF NEEDED  |            | 25%           | 52%        | 47%        |  |
| WHEAT Jul 19   | 4650.00    | 19.00      | 0.4%  | 4631.00    | 4427.00       | 4107.00               |   |            |               |            |            |  |

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

**Market overview:** The rand is trading at R14.87 this morning, which has weakened somewhat yesterday. Former director of the Mineral Resources Department, Thibedi Ramontja, set out the secrecy surrounding the acquisition of Glencore's Optimum coal mine yesterday, as he gave evidence before the state survey. The mine was bought in 2015 by a company affiliated with the Guptas, in a controversial deal done with the help of former Minister of Mineral Resources, Mosebenzi Zwane. There was a continuing decline in local mining production data for January, Statistics South Africa announced, although the industry simultaneously had an increase in mineral sales. Total SA mineral production was 3.3% lower in January 2019 than in the same period last year. This follows a fall of 4.1% year on year and 5.2% year on year in December and November. Diamonds saw the largest drop in production at 37%, followed by iron ore and diamonds. Zimbabwe mining companies, including Anglo Platinum, Impala Platinum and Caledonia Mining units, are allocating less than 80% to miners. The salary for the lowest paid worker in the industry is rising to about 480 RTGS dollars a month. At current rates it is about US \$ 192 or R2 800. Extensive negotiations between the Associated Mine Workers Union or Zimbabwe (AMWUZ) and the Zimbabwe Chamber of Mines have led to the salary adjustment for industry employees. The cost of living in the country increased dramatically after January's inflation rose to above 50%. The ANC's head of economic transformation, Enoch Godongwana, was appointed member of the board of the Development Bank of Southern Africa. The Cabinet announced on Thursday that Godongwana and Bongive Kunene will serve as non-executive directors on the bank's board for a period of three years from 1 April. National Treasury Awards will be enough for the Conciliation and Arbitration Commission to manage a 15% increase in complaints, Labor Minister Mildred Oliphant said. The minister responded to a written reply to a question from DA MP Michael Bagraim about whether the shortage of CCMA funding was addressed last year. The prediction of the amount of work that can be lost due to the fourth industrial revolution will simply be "speculation," Labor Minister Mildred Oliphant said. The minister has responded to a question from EFF MP Pebane Moteka about the number of jobs that will be lost or left over in the next 15 years due to technological developments of the fourth industrial revolution.

**Maize:** In US markets, maize prices have risen by about 1% on Thursday, after reports of significant floods in parts of the Middle East have been debating whether plant delays will be problematic in the spring. Maize exports saw 370 000 tons of old crop sales last week, and another 475 000 tons of new crop sales last week, a total of 845 000 tons. This has fallen below the previous week's total of 1,249 million tons and trade estimates of 1,150 million tons. Exports of maize for shipping were last week for 784 000 tons. Consultancy Strategy Grains increased its 2019 EU maize production forecast by 0.8% to 57 million tons. Ukrainian analyst ProAgro estimates that the country's 2019 maize may have a peak of 31 million tons, which is 12% lower than last year's record breaking crop. South Korea bought about 60 000 tons of maize, probably from the US, in a deal closed on Wednesday. The grain arrives at the end of May. The Brazilian government can auction up to 500 000 tons of maize later this month to help pig farmers to handle higher food prices. **Local:** In the domestic maize markets there have been downward trends in the white maize side but an increase in the yellow maize side. March white maize closed yesterday at R2 894 and Yellow maize closed at R 2 670. In yesterday's weekly import report it was reported that there were 773 tons of YM imported. The intentions of trade report indicates that there will be another 114 915 tons of YM imports before the end of April. This will bring the total imports for the 2018/19 season to 166 301 ton.

**Soybeans:** Soybean prices were mixed on Thursday as a round of "USDA" export data from USDA could not have dominated anxiety about the lack of details about the latest trade deals between the US and China. Soybean export sales of 1,913 million tons for the week ending March 7 were significantly higher than last week's 383,000-tonne increase and also covered trading estimates of 1,624 million tons. The weekly rate needed to reach USDA forecasts is now just 394,000 tons. Soybean exports per ship were 819 000 tons. USDA also reported about 226,100 tons of soybean meal sales last week, plus another 14,000 MT of soy oil sales. **Local:** In the soybean markets the March contract increased R 29 and closed yesterday at R4 772, the April contract remained unchanged and closed at R 4803.

**Wheat:** US wheat prices were mixed but mostly higher on Thursday. Wheat exports last week included 263 000 tons of old crop sales, plus another 84 000 tons of new crop sales for a total of 345 000 tons. It was much lower than last week's 827 000 tons and trade estimates of 601 000 tons. Wheat export shipments were for 742 000 tons. Consultancy Strategy Grains slightly reduced its European Union 2019 wheat production forecast to 153 million tons. If this is realized, the total output of 2018 will still exceed 15%. EU estimates of 2019 production estimates have also been reduced fractionally, but could be up by 11% from the year by 77 million tons. A German association of farm cooperatives expects the country's 2019 wheat production to be nearly 20% higher, with 24,194 million tons. Last year's production was hampered by hot, dry conditions. Ukrainian analyst ProAgro pushed up its country's 2019 wheat production estimates by 2.5%, with current expectations of reaching 28 million tons this year. ProAgro has also revised the country's barley production estimates upwards, now at 10,994 million tons. Algeria bought 449 000 tons of wheat from optional origin yesterday (but probably from France). The grain is in April and May for shipping. Turkey has for the time being purchased 291 000 tons of wheat in a series of tenders closed earlier today. The grain likely to be shipped from the Black Sea region or the EU is from late March to early April. **Local:** The wheat markets closed yeasts positively, with a March 6 contract up R 6 and closed at 4 540, April contract R 14 up and face R 4 547. The wheat import tariff triggered higher yesterday to R675/ton. The current tariff is R490/ton

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