

Grain SA's Morning Grain Market Commentary

| DATE 2018/11/16 | DATE 2018/11/15 | | | + - LAST WEEK 2018/10/29 | | AT THE MONEY PUT OPTION | | | | | | | |
|--|--------------------|--------|---------|-----------------------------|---------|-------------------------|--|---------------------------|------------|-----------|------------|-----------|-----------|
| | Data | Δ | Δ% | Data | Δ% | Data | WIM | YM | | | | | |
| DJIA-index | 25289 | 208.77 | ↑ 0.8% | 25081 | ↓ -0.8% | 25381 | JUL '19 FUTURES PRICE | R 2 580.00 | R 2 525.00 | | | | |
| Goud (Spot) | 1214.59 | 3.42 | ↑ 0.3% | 1211.17 | ↓ -1.4% | 1232.42 | PUT STRIKE PRICE | R 2 580.00 | R 2 520.00 | | | | |
| Brent \$/vat | 66.65 | 0.85 | ↑ 1.3% | 65.8 | ↓ -8.3% | 72.72 | PUT PREMIUM | R 243.15 | R 200.30 | | | | |
| 1 € / US\$ | 1.1344 | 0.01 | ↑ 0.6% | 1.1279 | ↓ -0.7% | 1.1426 | MIN SAFEX PRICE | R 2 336.85 | R 2 319.70 | | | | |
| 1 US\$ / ZAR | 14.14 | -0.190 | ↓ -1.3% | 14.33 | ↓ -1.2% | 14.31 | | | | | | | |
| Corn | R 2 045.18 | -39 | ↓ -1.9% | R 2 083.94 | | | *CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day | | | | | | |
| Wheat | R 2 625.84 | -49 | ↓ -1.8% | R 2 674.81 | | | *CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day | | | | | | |
| Soybeans | R 4 616.78 | -101 | ↓ -2.1% | R 4 717.77 | | | *CBOT Soy Nov cents / bushel 08:00 today vs. CBOT Soy Nov 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 Dec 18 | 367.40 | -2.00 | ↓ -0.5% | 369.40 | | 28 | WIM | YM | TM | | | | |
| Wheat Dec 18 | 505.40 | -2.60 | ↓ -0.5% | 508.00 | | | WEEK TOTAL | 7 133 | 6 808 | 13 941 | | | |
| Soybeans Nov 18 | 888.60 | -7.40 | ↓ -0.8% | 896.00 | | | YTD TOTAL | 242 176 | 1 339 106 | 1 581 282 | | | |
| Latest MTM prices (SPOT = nearest contract month (Rand / ton)) | | | | | | Import parity | Export parity | EXPORTABLE | | | 1 550 000 | 2 455 000 | 4 005 000 |
| SORGHUM Mar '19 | 3600.00 | 0.00 | 0.0% | 3600.00 | | 3727.00 | 2020.00 | YTD AS % OF EXPORTABLE | 16% | 55% | 39% | | |
| WMAZ Spot | 2440.00 | 43.00 | ↑ 1.8% | 2397.00 | | 3833.00 | 2034.00 | PACE/WEEK NEEDED | 54 493 | 46 496 | 100 988 | | |
| WMAZ Dec 18 | 2450.00 | 45.00 | ↑ 1.9% | 2405.00 | | 3554.00 | 2034.00 | MAIZE PRODUCER DELIVERIES | | | | | |
| WMAZ Jul 19 | 2580.00 | 49.00 | ↑ 1.9% | 2531.00 | | 3693.00 | 2170.00 | WEEK TOTAL | 9 199 | 5 326 | 14 525 | | |
| YMAZ Spot | 2458.00 | 27.00 | ↑ 1.1% | 2431.00 | | 3554.00 | 2034.00 | YTD TOTAL | 6 222 845 | 5 441 375 | 11 664 220 | | |
| YMAZ Dec 18 | 2472.00 | 30.00 | ↑ 1.2% | 2442.00 | | 3554.00 | 2034.00 | CEC FORECAST + ADJUSTMENT | 6 601 560 | 5 779 650 | 12 381 210 | | |
| YMAZ Jul 19 | 2525.00 | 23.00 | ↑ 0.9% | 2502.00 | | 3693.00 | 2170.00 | % OF HARVESTED DELIVEIRES | 94% | 94% | 94% | | |
| SOY spot | 4595.00 | 25.00 | ↑ 0.5% | 4570.00 | | 6238.00 | 4150.00 | PACE/WEEK NEEDED | 23 670 | 21 142 | 44 812 | | |
| SOY May 19 | 4835.00 | 23.00 | ↑ 0.5% | 4812.00 | | 7526.00 | 5402.00 | WHEAT IMPORTS | | | | | |
| SUN Spot 18 | 5199.00 | 12.00 | ↑ 0.2% | 5187.00 | | 6273.00 | 4668.00 | 2018/19 | 2017/18 | 5 Jr. GEM | | | |
| SUN May 19 | 5053.00 | 18.00 | ↑ 0.4% | 5035.00 | | 7526.00 | 5402.00 | WEEK TOTAL | 26 364 | 34 585 | 29 551 | | |
| WHEAT spot 18 | 4271.00 | -68.00 | ↓ -1.6% | 4339.00 | | 4853.00 | 4533.00 | YTD TOTAL | 92 307 | 430 399 | 302 708 | | |
| WHEAT Dec 18 | 4305.00 | -55.00 | ↓ -1.3% | 4360.00 | | 4912.00 | 4592.00 | TOTAL NEEDED | 1 400 000 | 2 173 234 | 1 727 637 | | |
| WHEAT Mar 19 | 4421.00 | -52.00 | ↓ -1.2% | 4473.00 | | 5012.00 | 4692.00 | YTD AS % OF NEEDED | 7% | 20% | 18% | | |

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

Market Overview: The rand trade this morning at R14.17 / \$ and strengthened 16 cents from the levels at which it traded on at market closing yesterday. The strengthening of the rand can again be largely attributed to international factors with many uncertainties currently in the international markets regarding the Brexit negotiations with the proposed agreement with the EU. Locally, retail sales figures announced this week were positive and should lead to economic growth in the third quarter of 2018. According to current calculations, it appears that there will be GDP growth in the third quarter, which will cause the local economy to escape the technical recession after the first two quarters of 2018 showed negative economic growth. Statistics SA will announce the economic growth report for the third quarter of 2018 next week. In other local news, there is currently much uncertainty in the policy environment after the parliamentary committee announced yesterday that Article 25 of the Constitution should be amended. However, there is still a long process that must take place before it really happens and there is no certainty as to how a possible adjustment will look.

Maize: The American maize market initially found good support yesterday and traded higher for the day, but could not hold the big price increases and the market closed only marginally stronger for the day. Both the December and March contracts closed higher for the day. The expectation in the market for the latest USDA weekly export sales report is that it should be between about 500 000 tons and 900 000 tons. The ethanol production figures announced yesterday indicated that the ethanol production last week was approximately 1,067 million barrels a day. It was slightly lower than last week's production. In other international news, the EU's maize production forecast for the season has been adjusted 1% higher from the previous month's estimate. Lower production in France and Germany was made up by higher production in Romania and Hungary. In Ukraine, it is expected that this season's maize production should be about 34 million tons, of which about 80% will be exported this season. **Local:** The local maize market found good support yesterday and traded higher for the day in most of the contract months of both white and yellow maize currently listed. In yesterday's weekly SAGIS export report, weekly WM exports were reported at 7 133 tons while YM exports were reported at 6 808 tons. The total exports so far for the season is 1.58 million tons. There are still 141 000 tons of exports reported up to the first week of January 2019, which will bring total exports to 1.72 million tons.

Soybeans: US soybean prices got a boost from trade negotiations news between the US and China, which are expected to resume later this month. It was rumoured yesterday that the US Administration may put on hold another round of tariffs on Chinese imports as the two nations move to pursue talks. Ahead of today's USDA export data, analysts expect soybean sales to be between 400 108 tons and 699 510 tons for the week ending November 8. It is also expected that soybean sales will be between 100 000 to 400 000 tons, with 5 000 to 30 000 of soy oil sales. The US National Oilseed Processors association (NOPA) reported a record soybean crush volume of 4.6 million tons in October, up from 4.3 million tons in September; this constitutes a 5% increase year on year. **Local:** Local soybean prices traded higher yesterday. December soybean contracts traded to a low of R4614 and a high of R4639 before closing the session off at R4634.

Wheat: US wheat prices traded mixed yesterday due to some technical manoeuvring. Ahead of the today's USDA export report, analysts expect wheat sales for the week ending November 8, to be between 4001 108 and 650 517 tons. Projections for the EU soft wheat have not been revised, with wheat production at 127 million tons, however the total is still lagging behind 2017 pace by 11%, due to drought across the EU this past year. Saudi Arabia has issued an international tender to purchase about 476 320 tons of hard milling wheat which closes today. **Local:** Local wheat imports for the week ending November 9, totalled 26 346 tons. Local wheat prices traded lower yesterday. December wheat contracts traded to a high of R4340 and a low of R4300 before closing the session at R4305.

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

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