

Grain SA's Morning Grain Market Commentary

DATE 2018/09/20	DATE 2018/09/19		+ - LAST WEEK 2018/09/10		AT THE MONEY PUT OPTION				
	Δ	Δ%	Δ	Δ%	JUL '19 FUTURES PRICE	WM	YM		
DJIA-index	26406	158.80 ↑	0.6%	26247	1.9%	25917			
Goud (Spot)	1205.2	2.96 ↑	0.2%	1202.24	1.0%	1192.85			
Brent \$/vat	78.82	0.61 ↑	0.8%	78.21	2.0%	77.31			
1 € / US\$	1.1687	0.00 ↓	-0.1%	1.1694	1.2%	1.1547			
1 US\$ / ZAR	14.65	-0.070 ↓	-0.5%	14.72	3.9%	15.24			
Corn	R 1 989.75	-4 ↓	-0.2%	R 1 993.46					
Wheat	R 2 818.51	24 ↑	0.9%	R 2 794.12					
Soybeans	R 4 464.62	49 ↑	1.1%	R 4 415.64					
Latest CBOT prices during overnight trading (Recorded between 6 a.m. to 07:00 am vs 12:00 pm the previous trading)									
Corn Dec 18	345.00	1.00 ↑	0.3%	344.00					
Wheat Dec 18	523.60	7.00 ↑	1.4%	516.60					
Soybeans Nov 18	829.40	13.00 ↑	1.6%	816.40					
Latest MTM prices (SPOT = nearest contract month (Rand / ton))					Daily parity prices delivered in Randfontein. WEAT BDN				
SORGHUM Mar '19	3600.00	0.00 ↑	0.0%	3600.00	3970.00	2236.00			
WMAZ Spot	2352.00	-28.00 ↓	-1.2%	2380.00	4127.00	2005.00			
WMAZ Dec 18	2387.00	-47.00 ↓	-1.9%	2434.00	3645.00	2150.00			
WMAZ Jul 19	2467.00	-58.00 ↓	-2.3%	2525.00	3726.00	2229.00			
YMAZ Spot	2359.00	-50.00 ↓	-2.1%	2409.00	3645.00	2005.00			
YMAZ Dec 18	2427.00	-52.00 ↓	-2.1%	2479.00	3645.00	2150.00			
YMAZ Jul 19	2463.00	-58.00 ↓	-2.3%	2521.00	3726.00	2229.00			
SOY spot	4457.00	-81.00 ↓	-1.8%	4538.00	6654.00	4552.00			
SOY May 19	4777.00	-73.00 ↓	-1.5%	4850.00	6990.00	4870.00			
SUN Spot 18	5100.00	-55.00 ↓	-1.1%	5155.00	6659.00	5072.00			
SUN May 19	5053.00	-74.00 ↓	-1.4%	5127.00	6990.00	4870.00			
WHEAT spot 18	4339.00	-41.00 ↓	-0.9%	4380.00	4873.00	4553.00			
WHEAT Dec 18	4506.00	-25.00 ↓	-0.6%	4531.00	5227.00	4907.00			
WHEAT Mar 19	4627.00	-16.00 ↓	-0.3%	4643.00	5109.00	4790.00			

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

Market overview: The rand is trading at R14.65 against the dollar this morning. The local currency firmed after Stats SA announced that annual consumer inflation for August was marginally lower than what analysts expected. The CPI rate for all urban areas was 4.9% compared with July's 5.1%, the expectation was that CPI would accelerate to 5.2%. The Organisation for Economic Co-operation and Development (OECD) had labelled South Africa's economy as the worst performer among its emerging market peers. In the latest OECD report, it was found that gross domestic product (GDP) in South Africa was the lowest among the G20 area by end of the second quarter. On the international front China retaliated to the latest tariffs imposed by the US on them and imposed tariffs on \$60 billion worth of US imports, while the US further threatened to place duties on all Chinese goods. Crude oil is trading at \$78.82/barrel this morning

Maize: US maize prices caught some spill over strength from surging soybean and wheat prices; however, the ongoing harvest kept the gains at bay. Ahead of this afternoon's USDA weekly export report, analysts expect maize sales to range between 500 508 tons and 1.1 million tons for the week ending September 13. The EU's Grain lobby Conceral lowered its estimates for the 2018 EU maize production by 2.3% since June to 58.9 million tons; this is due to hot dry conditions that persisted throughout most of the continent this summer. Since July, Ukraine exports have reached 1.3 million tons, with overall grain exports down by 9.4% compared to the same period last year. **Local:** Local maize prices opened the day lower with lower parity prices weighing on the market upon opening. December white maize contracts started the day at R2405 and traded to a high of R2407 before coming under more pressure and trading at a low of R2376, ending the day in the lows.

Soybeans: US soybean prices bounced back after hitting multiyear lows on Monday and Tuesday. Ahead of Thursday's morning USDA weekly export report this afternoon, analysts expects that soybean sales will range between 400 108 tons and 900 925 tons for the week ending September 13. Analysts expect the USDA to report an additional 50 000 to 350 000 tons of soybean sales and 30 000 tons of soy oil sales last week. **Local:** Local soybean contracts started the day lower from the opening, with lower parity prices and a stringer rand adding pressure. December soybean contracts started the day at R4625, traded to a high of R4635, and then traded lower at R4575 before closing off close to the lows.

Wheat: US wheat prices tilted higher still on possible tightening of world stocks, a round of technical buying and an increase in export activities. Ahead of today's USDA export report due this afternoon, analysts expect wheat sales to range between 250 408 and 500 518 tons for the week ending September 13. Ukraine's wheat exports have reached 4.3 million tons for the 2018/19 marketing year. According to Statistics Canada, a survey revealed that their 2018 wheat production is 3.5% higher than a year ago reaching 31 million tons. In its latest assessment the EU's Grain lobby Conceral lowered its 2018 soft wheat production estimate from 138 million tons in June down to 130 million tons. **Local:** Local wheat contracts opened the day lower with the stronger rand adding some pressure. December wheat contracts started the day at R4520, traded briefly at a high of R4530, and then traded at an intraday low of R4500 towards the close of the session.

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

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