

Grain SA's Morning Grain Market Commentary

Grain SA GRAIN SA	DATE 2018/01/21		DATE 2018/01/18		+ - LAST WEEK 2019/01/14		AT THE MONEY PUT OPTION					
	Data	Δ	Δ%	Data	Δ	Data	WM		YM			
DJIA-index	24706	336.25	↑ 1.4%	24370	↑ 3.0%	23996	JUL '19 FUTURES PRICE	R 3 385.00	R	2 832.00		
Goud (Spot)	1281.15	-10.24	↓ -0.8%	1291.39	↓ -0.7%	1290.68	PUT STRIKE PRICE	R 3 380.00	R	2 840.00		
Brent \$/vat	62.78	1.65	↑ 2.7%	61.13	↑ 4.8%	59.88	PUT PREMIUM	R 381.87	R	183.89		
1 € / US\$	1.1377	0.00	↓ -0.1%	1.1391	↓ -0.8%	1.1474	MIN SAFEX PRICE R 2 998.13 R 2 656.11					
1 US\$ / ZAR	13.82	0.110	↑ 0.8%	13.71	↓ -0.6%	13.90						
Corn	R 2 076.15	25	↑ 1.2%	R 2 050.99	*CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day							
Wheat	R 2 628.36	21	↑ 0.8%	R 2 607.44	* CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day							
Soybeans	R 4 654.48	82	↑ 1.8%	R 4 572.09	* 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)							MAIZE EXPORTS					
Corn Mar 19	381.60	1.60	↑ 0.4%	380.00	Daily parity prices delivered in		WEEK NR. 38					
Wheat Mar 19	517.60	0.00	↑ 0.0%	517.60	Randfontein. WEAT BDN		WEEK TOTAL		11 543	6 138	17 681	
Soybeans Jan 18	916.60	9.00	↑ 1.0%	907.60	import par not export par		YTD TOTAL		326 587	1 432 136	1 758 723	
Latest MTM prices (SPOT = nearest contract month (Rand / ton)							Import parity		Export parity		EXPORTABLE	
SORGHUM Mar '19	3750.00	0.00	↑ 0.0%	3750.00	3467.00	1768.00	YTD AS % OF EXPORTABLE		21%	58%	44%	
WMAZ Spot	3249.00	-1.00	↓ 0.0%	3250.00	3890.00	2113.00	PACE/WEEK NEEDED		87 387	73 062	160 448	
WMAZ Mar 19	3286.00	54.00	↑ 1.7%	3232.00	3397.00	1906.00	MAIZE PRODUCER DELIVERIES					
WMAZ Jul 19	3385.00	59.00	↑ 1.8%	3326.00	3474.00	1982.00	WEEK TOTAL		2 458	2 948	5 406	
YMAZ Spot	2818.00	10.00	↑ 0.4%	2808.00	3340.00	2113.00	YTD TOTAL		6 273 589	5 782 598	12 056 187	
YMAZ Mar 19	2847.00	7.00	↑ 0.2%	2840.00	3397.00	1906.00	CEC FORECAST + ADJUSTMENT		6 601 560	5 779 650	12 381 210	
YMAZ Jul 19	2832.00	4.00	↑ 0.1%	2828.00	3474.00	1982.00	% OF HARVESTED DELIVEIRES		95%	100%	97%	
SOY spot	4859.00	41.00	↑ 0.9%	4818.00	6062.00	4022.00	PACE/WEEK NEEDED		54 662	491	54 171	
SOY May 19	5020.00	17.00	↑ 0.3%	5003.00	6524.00	4465.00	WHEAT IMPORTS					
SUN Spot 18	5850.00	46.00	↑ 0.8%	5804.00	5862.00	4306.00	2018/19		2017/18		5 Jr. GEM	
SUN May 19	5737.00	55.00	↑ 1.0%	5682.00	5862.00	4306.00	WEEK TOTAL		21 794	57 195	37 425	
WHEAT Spot	4410.00	31.00	↑ 0.7%	4379.00	4465.00	4145.00	YTD TOTAL		183 764	520 235	355 067	
WHEAT Mar 19	4470.00	40.00	↑ 0.9%	4430.00	4534.00	4214.00	TOTAL NEEDED		1 400 000	2 173 234	1 727 637	
WHEAT May 19	4532.00	37.00	↑ 0.8%	4495.00	4772.00	4452.00	YTD AS % OF NEEDED		13%	24%	21%	

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

Market overview: The rand is trading at R13.83 against the dollar this morning. The rand lost 0.5% against the dollar on Friday, but still ended the week slightly stronger than it started on Monday; expectations for easing trade tension between the US and China benefited both countries, while other emerging-market currencies suffered. The rand is expected to show a fair amount of volatility in the coming weeks due to domestic matters; political, monetary, fiscal and trade perspective as well as international factors i.e. trade issues between China and the US. Looking at the week ahead, the president and his delegation have gone to the World Economic Forum (WEF) in Switzerland, with the hope of attracting new investment; according to the president South Africa is in a better position to attract more investment this year given a united business, government and labour. The FNB/Bureau for Economic Research consumer confidence index for the fourth quarter of 2018 will be published on Thursday. The index is expected to show an improvement from the third quarter, which has a reading of 7 to a reading of 10 in the fourth quarter. The British prime minister is preparing to set out where Brexit goes next after the overwhelming rejection of her deal a week ago. She is due to present a plan to Parliament on Monday, where members are already working on plans to take control of the process. Crude oil is trading at \$62.78/barrel this morning.

Maize: US maize prices closed higher on Friday after a two-sided traded, soybean gains and hot drier conditions in Brazil lent support to prices. South American weather stays active in the markets as recent weather patterns are seeing a combination of improved rain chances for some regions, but excessive dryness in others. This period is critical for crop development in South America; the next few weeks could pose to be a mover in the marketplace. While USDA is not providing confirmation of export deals due to its closure, South Korean feed makers were active buyers this last week. That is an indication that end users are doing what needs to be done, USDA or no USDA. South Korean buyers typically cover some of their needs both before and after major USDA reports. With no data coming out, they stepped back into the market this week, breaking some of the market's bearish momentum. **Local:** Local maize prices traded mixed, but mostly higher on Friday. March white maize contracts traded to a low of R3235 and a high of R3332 before closing the day at R3286.

Soybeans: US soybean prices traded higher on Friday finishing off session highs with some late profit taking, but the market was able to avoid a turn lower on hopes the trade talks between the US and China might be bearing fruit. Strength in the soybean market for the second-straight day were linked to positive rumours about Chinese and US trade negotiations with the suggestion that China could be aggressively buying US products over the next handful of years. China's goal is to reduce the trade surplus between China and the U.S. by 2024 with the increasing purchase of over 1 trillion dollars' worth of US exports. However, these rumours are yet to be confirmed. While some rain fell in Brazil over the past 24 hours, conditions overall continue a warmer and drier pattern expected to last over the next weeks. Demand is also uncertain because Chinese purchases may begin to slow down ahead of Lunar New Year holidays that close markets Feb. 4-8. **Local:** Local soybean prices traded higher on Friday. March soybean contracts traded to a low of R 4858 and a high of R4960 before closing the session at R4925.

Wheat: US wheat prices experienced a two-sided trade on Friday. The US wheat market saw some push on Thursday with the possibility of a sale of wheat to China causing the market to aggressively short cover. Friday saw two-sided choppy trade as the market was looking for direction. Weather across the US Plains looks to be turning colder, and this year's winter wheat crop does have some snow cover. Weather is not a short-term concern but may come into play as we move closer to dormancy in the weeks ahead. **Local:** Local wheat prices traded higher on Friday. March wheat contracts traded to a low of R4418 and a high of R4475 before closing the session at R4470.

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

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