

Grain SA's Morning Grain Market Commentary

DATE 2018/11/21	DATE 2018/11/20			+ - LAST WEEK 2018/11/12		AT THE MONEY PUT OPTION			
	Data	Δ	Δ%	Data	Δ%	Data	JUL '19 FUTURES PRICE	WM	YM
DJIA-index	24466	-551.80	-2.2%	25017	-5.9%	25989	R 2 485.00	R	2 458.00
Goud (Spot)	1220.8	-1.40	-0.1%	1222.2	1.0%	1208.6	R 2 480.00	R	2 460.00
Brent \$/vat	62.51	-4.72	-7.0%	67.23	-12.4%	71.36	R 228.81	R	196.43
1 € / US\$	1.1380	-0.01	-0.4%	1.1430	0.6%	1.1309	MIN SAFEX PRICE R 2 251.19 R 2 263.57		
1 US\$ / ZAR	14.07	-0.020	-0.1%	14.09	-1.7%	14.32			
Corn	R 2 000.71	-10	-0.5%	R 2 010.21	*CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day				
Wheat	R 2 588.02	13	0.5%	R 2 575.13	*CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day				
Soybeans	R 4 554.63	34	0.8%	R 4 520.72	*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.			
Corn Dec 18	361.20	-1.20	-0.3%	362.40	Daily parity prices delivered in				
Wheat Dec 18	500.60	3.20	0.6%	497.40	Randfontein. WEAT BDN				
Soybeans Jan 18	881.00	7.80	0.9%	873.20	import par not export par				
Latest MTM prices (SPOT = nearest contract month (Rand / ton))						WEEK TOTAL			
SORGHUM Mar '19	3600.00	0.00	0.0%	3600.00	3727.00	2020.00	29 WM YM TM		
WMAZ Spot	2324.00	-28.00	-1.2%	2352.00	3833.00	2034.00	7 133 6 808 13 941		
WMAZ Dec 18	2330.00	-30.00	-1.3%	2360.00	3554.00	2034.00	YTD TOTAL 242 176 1 339 106 1 581 282		
WMAZ Jul 19	2485.00	-19.00	-0.8%	2504.00	3693.00	2170.00	EXPORTABLE 1 550 000 2 455 000 4 005 000		
YMAZ Spot	2359.00	-21.00	-0.9%	2380.00	3554.00	2034.00	YTD AS % OF EXPORTABLE 16% 55% 39%		
YMAZ Dec 18	2365.00	-27.00	-1.1%	2392.00	3554.00	2034.00	PACE/WEEK NEEDED 56 862 48 517 105 379		
YMAZ Jul 19	2458.00	-10.00	-0.4%	2468.00	3693.00	2170.00	WEEK TOTAL 9 199 5 326 14 525		
SOY spot	4625.00	32.00	0.7%	4593.00	6238.00	4150.00	YTD TOTAL 6 222 845 5 441 375 11 664 220		
SOY May 19	4804.00	-26.00	-0.5%	4830.00	7526.00	5402.00	CEC FORECAST + ADJUSTMENT 6 601 560 5 779 650 12 381 210		
SUN Spot 18	5176.00	-4.00	-0.1%	5180.00	6273.00	4668.00	% OF HARVESTED DELIVEIRES 94% 94% 94%		
SUN May 19	4997.00	-36.00	-0.7%	5033.00	7526.00	5402.00	PACE/WEEK NEEDED 25 248 22 552 47 799		
WHEAT spot 18	4257.00	37.00	0.9%	4220.00	4853.00	4533.00	WEEK TOTAL 26 364 34 585 29 551		
WHEAT Dec 18	4279.00	29.00	0.7%	4250.00	4912.00	4592.00	YTD TOTAL 92 307 430 399 302 708		
WHEAT Mar 19	4403.00	32.00	0.7%	4371.00	5012.00	4692.00	TOTAL NEEDED 1 400 000 2 173 234 1 727 637		
						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 is trading at R14.07 against the dollar this morning. The rand closed the day yesterday at R14.09 to the dollar, averaging between R13.98 and R14.17 for the day; the local currency struggled to sustain a level below R14/\$. During a joint media briefing with the German president in Cape Town yesterday the South African president endeavoured to subdue investor fears over expropriation without compensation and clarified "that land reform will be undertaken in an orderly and lawful manner." Ramaphosa said that they agreed to continue their efforts to expand trade further as well as investment between South Africa and Germany. Crude oil is trading at \$62.51/barrel this morning. Oil prices dropped again yesterday on persistent fears that a surplus will re-emerge next year despite OPEC's plan to cut production.

Maize: US maize prices posted some minor losses during yesterday's trade. The biggest weight on the US maize market yesterday was probably the action of the outside market, as crude oil pushed to its lowest price since November 2016, losing over 7% at one time during the day's trade. Continued weakness in crude affects ethanol margins, which may ultimately affect overall demand for US maize in the end. The USDA reported a net cancellation of 200,588 tons of maize for 2018/19 delivery to unknown destinations yesterday. Ukraine's Agriculture ministry added 0.8 million tons to their 2018 maize crop estimate at 34.8 million tons compared to the most recent USDA number of 33.5 million tons; only a small portion of their maize crop still needs to be harvested. **Local:** Local maize prices traded lower yesterday. December white maize contract traded to a high of R2366 and a low of R2326 before closing the session at R2330. The plantings of maize is progressing slowly currently as there are still large areas of the country where rain is needed in order to enable the farmers to continue with the plantings optimally.

Soybeans: The American soybean market found support yesterday and traded higher for the day and made up some of Monday's losses that were seen in the market. The support that was seen in the American soybean market can largely be attributed to bargain buying as the market price of soybeans has fell sharply on Monday. Soybean meal and soybean oil markets in the US also found support yesterday and traded higher for the day. The latest weekly production progress report has shown that 91% of soybeans in the USA have already been harvested, which is still less than the 5 year average and the previous season's amount harvested at this time of the season. Private exporters reported daily soybean export sales of approximately 122 500 tons to the USDA yesterday. It is for delivery to unknown destinations in the 2018/19 marketing season. **Local:** The local soybean market traded mixed yesterday as the November month contract closed higher for the day while the rest of the contract months were mostly under pressure and closed lower for the day. Locally the plantings of soybeans is under way and although it already progressed fairly well in some areas of the country good rainfall within the next week or two will be critical.

Wheat: The American wheat market traded mixed yesterday with the soft red winter wheat market that found support and traded slightly stronger for the day while the hard red winter and spring wheat markets closed lower for the day. The winter wheat plantings in the US are proceeding quite well and were reported, in the latest weekly USDA report, to be 93% done. However, it is still lower than the 5-year average rate of 97% completed at this time of the season. The production conditions are better and the USDA has adjusted that higher from the previous week's estimate, which was quite against the general expectations. The production conditions of winter wheat in the US are now estimated at 56% good to excellent. Other international news reports that winter wheat plantings in India are taking place at a record pace with 77% of the wheat for the season already planted. Japan has tendered for wheat to be purchased for import purposes from the USA or Canada, while Bangladesh has tendered to purchase wheat from optional origin. **Local:** The local wheat market found support yesterday and traded higher for the day in most of the contract months currently listed. Locally there are areas in especially the Free State where the wheat is under stress due to the dry conditions and the high temperatures.

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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