

Grain SA's Morning Grain Market Commentary

Grain SA GRAIN SA GRAIN SA	DATE	DATE		+ - LAST WEEK		AT THE MONEY PUT OPTION			
	2018/09/21	2018/09/20		2018/09/10		JUL '19 FUTURES PRICE		WM	YM
	Data	Δ	Δ%	Data	Δ%	Data	R	R	R
DJIA-index	26657	251.22	↑ 1.0%	26406	↑ 2.9%	25917	R 2 444.00	R 2 430.00	
Goud (Spot)	1209.27	4.07	↑ 0.3%	1205.2	↑ 1.4%	1192.85	R 2 440.00	R 2 440.00	
Brent \$/vat	78.07	-0.75	↓ 1.0%	78.82	↑ 1.0%	77.31	R 217.80	R 222.10	
1 € / US\$	1.1781	0.01	↑ 0.7%	1.1703	↑ 2.0%	1.1547			
1 US\$ / ZAR	14.28	-0.200	↓ 1.4%	14.48	↓ 5.3%	15.24			
Corn	R 1 937.25	-33	↓ 1.7%	R 1 970.08					
Wheat	R 2 733.69	-22	↓ 0.8%	R 2 756.01					
Soybeans	R 4 435.82	36	↑ 0.8%	R 4 400.04					
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	344.60	-1.00	↓ 0.3%	345.60					
Wheat Dec 18	521.00	3.00	↑ 0.6%	518.00					
Soybeans Nov 18	845.40	18.40	↑ 2.2%	827.00					
Latest MTM prices (SPOT = nearest contract month) (Rand / ton)									
Sorghum Mar '19	3600.00	0.00	↑ 0.0%	3600.00		3970.00	2236.00		
WMAZ Spot	2312.00	-40.00	↓ 1.7%	2352.00		4127.00	2005.00		
WMAZ Dec 18	2408.00	21.00	↑ 0.9%	2387.00		3645.00	2150.00		
WMAZ Jul 19	2444.00	-23.00	↓ 0.9%	2467.00		3726.00	2229.00		
YMAZ Spot	2319.00	-40.00	↓ 1.7%	2359.00		3645.00	2005.00		
YMAZ Dec 18	2394.00	-33.00	↓ 1.4%	2427.00		3645.00	2150.00		
YMAZ Jul 19	2430.00	-33.00	↓ 1.3%	2463.00		3726.00	2229.00		
SOY spot	4431.00	-26.00	↓ 0.6%	4457.00		6654.00	4552.00		
SOY May 19	4757.00	-20.00	↓ 0.4%	4777.00		6990.00	4870.00		
SUN Spot 18	5038.00	-62.00	↓ 1.2%	5100.00		6659.00	5072.00		
SUN May 19	5020.00	-33.00	↓ 0.7%	5053.00		6990.00	4870.00		
WHEAT spot 18	4330.00	-9.00	↓ 0.2%	4339.00		4873.00	4553.00		
WHEAT Dec 18	4455.00	-51.00	↓ 1.1%	4506.00		5227.00	4907.00		
WHEAT Mar 19	4579.00	-48.00	↓ 1.0%	4627.00		5109.00	4790.00		

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

Market Overview: The rand traded this morning at R14.29 / \$, which is the best level at which it traded at in more than a month. The rand strengthened mainly as a result of the dollar which is weakening after recently finding good support especially against the currencies of emerging countries. In the local economy, the major events that took place this week were the announcement of the monthly inflation rate announced by Statistics SA on Wednesday, as well as the SARB's interest rate ruling announced yesterday. The CPI for August was reported at 4.9%, which was lower than the July figure reported at 5.1%. This inflation rate was also better than the general expectation in the market as the general expectation was that inflation would increase further during August. The SARB left the country's interest rate unchanged yesterday, which was generally in line with the general expectation in the market. The lower inflation rate as well as the unchanged interest rates are the local factors which also contributed to the strengthening of the rand.

Maize: The American maize market found support yesterday, trading about 2% higher for the day, mainly due to positive export information reported yesterday as well as purchases to protect short positions in the market. Private exporters reported export sales of 160 000 tons to the USDA yesterday for delivery to Mexico in the 2018/19 season. The weekly maize export sales reported by the USDA yesterday are approximately 1,394 million tons, which are almost more than double the previous week's exports. The weekly export sales reported were also considerably higher than the weekly trade expectations in the market. The export shipments for the week were reported at 1.07 million tons, which was slightly below the weekly rate needed to meet the USDA annual estimate. Mexico has so far been for the 2018/19 season, which began 1 September, the largest importer of American maize. In other international news, maize imports to the EU since the beginning of July have been 9% lower compared to the same time of the season last year. China sold about 2.9 million tons of state reserve maize on an auction yesterday and it was about 75% of the total offered for sale at the auction. **Local:** The local maize market was mainly under pressure yesterday and traded lower for the day in most of the contract months of both white and yellow maize currently listed. In yesterday's weekly export report announced by SAGIS, WM exports were 4 830 tons and YM exports at 21 079 tons. The total for the season so far is 1,234 million tons.

Soybeans: US soybean prices traded about 2% higher yesterday due to short covering and solid export data released yesterday. Even though China is clearly absent, US soybean exports reached 998 911 tons of old and new stock last week, which is well ahead of the previous week's 702 231 tons. There is a large US shipment commitment accounting for 42% of the total to unknown destinations. EU soybean imports for 2018/19 are up by 11% from a year ago reaching 2.8 million tons thus far. EU soymeal imports have dropped by 20% year on year reaching 3.6 million tons. **Local:** Local soybean prices opened the day lower yesterday. December white soybean contracts started the day sharply lower at R4491, the market gained some support and traded to a high of R4570, ending the day slightly off the session highs.

Wheat: US wheat prices had a mixed session yesterday due to uneven technical manoeuvring. Wheat export shipments last week totalled 318 454 tons which surpassed the USDA forecast and moved the weekly rate needed to reach the forecast to 598 802 tons; Philippines is the top destination for US wheat export commitments accounting for 16% of the total. EU soft wheat for 2018/19 has reached 2.9 million tons as at 16 September, which is a 41% drop year on year. China sold nearly 2640 of its state reserves of 2013-imported wheat at an auction yesterday; this was 0.3% of the total available for sale. **Local:** Local wheat prices started the day lower with some selling seen thereafter and the stronger rand adding some pressure. December wheat contracts started the day at R4484, which was also the intraday high, with the market coming under pressure and trading at a low of R4449, ending off close to session lows.

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

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