

Grain SA's Morning Grain Market Commentary

GRAIN SA GRAAN SA	DATE	DATE		+ - LAST WEEK		AT THE MONEY PUT OPTION					
	2018/02/22	2018/02/21		2019/02/11							
	Data	Δ	Δ%	Data	Δ%	Data					
DJIA-index	25851	681.10	2.7%	25170	3.0%	25106	JUL '19 FUTURES PRICE	R 2 869.00	R 2 635.00		
Goud (Spot)	1324.78	-15.62	-1.2%	1340.4	1.0%	1311.34	PUT STRIKE PRICE	R 2 860.00	R 2 660.00		
Brent \$/vat	67.06	0.13	0.2%	66.93	9.0%	61.54	PUT PREMIUM	R 224.73	R 122.95		
1 € / US\$	1.1334	0.00	0.0%	1.1332	0.1%	1.1319	MIN SAFEX PRICE	R 2 635.27	R 2 537.05		
1 US\$ / ZAR	14.00	0.110	0.8%	13.89	2.9%	13.60					
Corn Mar 19	R 2 069.02	26	1.3%	R 2 042.92			*CBOT Corn Mar cents / bushel 08:00 today vs. CBOT Mar 12:00 the previous day				
Wheat Mar 19	R 2 502.10	15	0.6%	R 2 487.54			* CBOT Wheat Mar cents / bushel 08:00 today vs. CBOT Wheat Mar 12:00 the previous day				
Soybeans Mar 19	R 4 686.29	71	1.5%	R 4 615.79			* CBOT Soy Mar cents / bushel 08:00 today vs. CBOT Soy Mar 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 Mar 19	375.40	1.80	0.5%	373.60	Parity prices delivered in Randfontein. WEAT BDN import par not export par		42	WM	YM	TM	
Wheat Mar 19	486.40	-1.00	-0.2%	487.40			WEEK TOTAL	6 379	4 138	10 517	
Soybeans Jan 18	911.00	6.60	0.7%	904.40			YTD TOTAL	410 467	1 460 745	1 871 212	
Latest MTM prices (SPOT = nearest contract month (Rand / ton))						Import parity	Export parity	EXPORTABLE	1 500 000	2 300 000	3 800 000
SORGHUM Mar '19	3820.00	0.00	0.0%	3820.00	3467.00	1768.00	YTD AS % OF EXPORTABLE	27%	64%	49%	
WMAZ Spot	2724.00	-32.00	-1.2%	2756.00	3890.00	2113.00	PACE/WEEK NEEDED	108 953	83 926	192 879	
WMAZ Mar 19	2738.00	-26.00	-0.9%	2764.00	3397.00	1906.00	MAIZE PRODUCER DELIVERIES				
WMAZ Jul 19	2869.00	-28.00	-1.0%	2897.00	3474.00	1982.00	WEEK TOTAL	1 001	4 599	5 600	
YMAZ Spot	2559.00	-31.00	-1.2%	2590.00	3340.00	2113.00	YTD TOTAL	6 307 974	5 563 184	11 871 158	
YMAZ Mar 19	2575.00	-27.00	-1.0%	2602.00	3397.00	1906.00	CEC FORECAST + ADJUSTMENT	6 601 560	5 779 650	12 381 210	
YMAZ Jul 19	2653.00	-38.00	-1.4%	2691.00	3474.00	1982.00	% OF HARVESTED DELIVERIES	96%	96%	96%	
SOY spot	4760.00	-22.00	-0.5%	4782.00	6062.00	4022.00	PACE/WEEK NEEDED	146 793	108 233	255 026	
SOY May 19	4862.00	-42.00	-0.9%	4904.00	6524.00	4465.00	WHEAT IMPORTS				
SUN Spot	5284.00	34.00	0.6%	5250.00	5862.00	4306.00	2018/19	2017/18	5 Jr. GEM		
SUN May 19	5218.00	4.00	0.1%	5214.00	5862.00	4306.00	WEEK TOTAL	52 239	22 419	21 885	
WHEAT Spot	4389.00	-74.00	-1.7%	4463.00	4465.00	4145.00	YTD TOTAL	288 241	696 321	546 424	
WHEAT Mar 19	4384.00	-88.00	-2.0%	4472.00	4534.00	4214.00	TOTAL NEEDED	1 400 000	2 173 234	1 727 637	
WHEAT May 19	4478.00	-89.00	-1.9%	4567.00	4772.00	4452.00	YTD AS % OF NEEDED	21%	32%	32%	

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

Market Overview: The rand closed at R13.89 and weakened as it traded at R 14.01 this morning against the dollar. In international news, the African Petroleum Producer Organization (APPO) and its member states are calling for unity, co-operation and reform among oil producers before the Cape VII Congress and Exhibition, which takes place from April 2 to 5, 2019 in Malabo, Equatorial Guinea. The conference emphasizes regional cooperation and promotes alliances in African energy. This sets the stage for greater African involvement in energy institutions, rising investment in upward projects, a favorable oil price environment and the recent restructuring of APPO. In other international news, the UN report says the UK will lose its global influence and the Dutch Brexit monster will be enjoying great success. Finance Minister Zimbabwean Mthuli Ncube said the country's inflation rate, which had risen to the highest annual level since a decade ago with a hyperinflationary loss, is being misread and the benchmark of monthly increases shows that price growth is being restrained. In local news, the leadership of the National Union of Metalworkers of South Africa (Numsa) called for a mass action to stop the unbundling of Eskom. This comes after President Cyril Ramaphosa announced in his State of the Nation address last week that Eskom would be divided into three divisions.

Maize: US maize prices achieved an increase of more than 1% on Thursday, as technical purchase took place due to a moderate increase in expected US hectares for 2019. USDA Chief Economist Robert Johansson said on Wednesday that the total area for plantings increased by 3.3% from 2018. The International Grain Council (IGC) worldwide revised its 2018/19 maize production estimates worldwide, up 33 million tons (1,299 billion bushels) to a total of 1,109 billion MT. This revision was mainly attributed to massive increases expected in China, which were partially offset by lower estimated US production. Brazil's state statistics agency Deral slightly increased its crop production estimates for Paraná in 2018/1998 to 12.7 million tons. South Korea bought 66 000 tons of maize from optional origin in a private agreement earlier this week, which is due for delivery in July. **Local:** The market was very depressed and moved down. The February white and yellow maize price declined by R32 and R31 respectively and closed at market closing on R2724 and R2559 respectively.

Soybeans: US soybean prices grew by 1% on Thursday, with current US-China negotiations expected to gain momentum, and with producers likely to have planted less this year. USDA expects 2019 US soybean surface to decline by 4.7% and reach about 34.39 million hectares. Average prices can rise to 2.3%, which is still losing the average price close to a five-year low. Overall, the IGC reduced its 2018/19 world soybean production estimates by 5 MMT (184 million bushels) to 363 MMT, mainly on the expected lower production by Brazil this crop season. **Local:** The South African market had a rough day and a February contract fell by R22 to R4760 at market closing.

Wheat: US wheat futures moved down the week due to low interest in North American stocks from some big importers. Buyers in Turkey are well covered for high protein wheat mainly due to the recent tender by the Turkish state grain buying authority (TMO) for 13.5% protein wheat. **Local:** Zimbabwe is on the verge of running out of bread in the coming weeks as flour stocks are down, media reports say. Local wheat prices moved sharply down on February with contract R74 falling and closing at R4389.

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

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