

Grain SA's Morning Grain Market Commentary

GRAIN SA GRAAN SA	DATE	DATE			+ - LAST WEEK		AT THE MONEY PUT OPTION FOR JULY 2021 DELIVERY				
	2021/03/01	2021/02/26			2021/02/22						
	Data	Δ	Δ%	Data	Δ%	Data	WM	YM			
DJIA-index	30932	-469.64	-1.50%	31402	-1.8%	31494	Jul '21 FUTURES PRICE	R 3,103.00	R 3,212.00		
Goud (Spot)	1750.35	-11.86	-0.67%	1762.21	-1.9%	1784.87	Put STRIKE PRICE	R 3,100.00	R 3,220.00		
Brent \$/vat	64.95	-1.08	-1.6%	66.03	3.1%	63.02	Put PREMIUM	R 154.67	R 155.18		
1 € / US\$	1.2083	-0.01	-0.60%	1.2156	-0.3%	1.2120	BREAKEVEN SAFEX PRICE	R 2,945.33	R 3,064.82		
1 US\$ / ZAR	14.98	-0.05	-0.3%	15.03	1.7%	14.73					
Corn Sep	R 3,275.37	-6	-0.2%	R 3,281.57			*CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day				
Wheat	R 3,605.26	-104	-2.8%	R 3,708.96			*CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day				
Soybeans	R 7,734.51	-30	-0.4%	R 7,764.75			*CBOT Soy Dec cents / bushel 08:00 today vs. CBOT Soy Dec 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 Mar 21	555.40	0.80	0.1%	554.60			43				
Wheat Mar 21	655.00	-16.60	-2.5%	671.60			WM	YM	TM		
Soybeans Mar 21	1405.20	-0.80	-0.1%	1406.00			WEEK TOTAL	55,815	8,448	64,263	
Latest MTM prices (SPOT = nearest contract month (Rand / ton))							EXPORTABLE				
SORGHUM Mar'21	4260.00	0.00	0.0%	4260.00			YTD TOTAL	880,663	1,294,437	2,175,100	
WMAZ Spot	3204.00	-62.00	-1.9%	3266.00			YTD AS % OF EXPORTABLE	78%	89%	84%	
WMAZ May 21	3138.00	-16.00	-0.5%	3154.00			PACE/WEEK NEEDED	27,704	17,285	44,989	
WMAZ Jul 21	3103.00	5.00	0.2%	3098.00			MAIZE PRODUCER DELIVERIES				
YMAZ Spot	3320.00	-17.00	-0.5%	3337.00			WEEK TOTAL	9,105	5,163	14,268	
YMAZ May 21	3250.00	-19.00	-0.6%	3269.00			JTD TOTAL	8,123,761	6,096,701	14,220,462	
YMAZ Jul 21	3212.00	-6.00	-0.2%	3218.00			NOK SKATTING + REGSTELLINGS	8,893,033	6,878,516	15,771,549	
SOY spot	8820.00	-125.00	-1.4%	8945.00			% GELEWER VAN OES	91.3%	88.6%	90.2%	
SOY May 21	7673.00	-73.00	-0.9%	7746.00			WEEK 21				
SUN Spot	9572.00	-58.00	-0.6%	9630.00			WHEAT IMPORTS				
SUN May 21	8617.00	11.00	0.1%	8606.00			2020/21	2019/20	5 Jr. GEM		
WHEAT Spot	5168.00	41.00	0.8%	5127.00			WEEK TOTAL	54,743	30,215	58,337	
WHEAT May 21	5237.00	42.00	0.8%	5195.00			YTD TOTAL	520,334	569,283	572,471	
WHEAT Jul 21	5273.00	39.00	0.7%	5234.00			TOTAL NEEDED	1,540,000	1,850,000	1,678,261	
							YTD AS % OF NEEDED	34%	31%	34%	

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

Market overview: Manufacturing conditions and vehicle sales data that is in focus on this week's fairly quiet economic calendar could provide insight into the extent to which the economy's recovery is retaining traction. The Absa manufacturing purchasing managers' index (PMI) for February will be released on Monday. Despite a 2021 budget that committed to greater fiscal consolidation, both Moody's Investors Service and Fitch Ratings appeared doubtful about the government's ability to deliver on all its promises. Finance minister Tito Mboweni's recent budget attempted to balance support for an economy still reeling from the Covid-19 pandemic with firm commitments to spending restraint, in particular suppressing the public sector wage bill. The JSE looks set to start to sharply higher Asian markets on Monday morning, with sentiment getting a boost after progress was made in passing a \$1.9-trillion (R28.5-trillion) stimulus bill in the US. In morning trade Japan's Nikkei jumped 2% while Hong Kong's Hang Seng rose 1.2%. Tencent, which gives direction to the JSE via Naspers, was up 3.85%. Gold was up 0.58% to \$1,749/oz while platinum surged 2.49% to \$1,213.55. Brent crude was 2.23% lower at \$65.42 a barrel. The rand firmed 0.48% to R15.04/5.

Maize: It was a quiet day in the commodity markets, which did little to feed the bullish prices of late. Profit-takers had their day in the sun as maize prices continued to lick their wounds after Thursday's abysmal weekly export sales report. **Local:** The local maize market traded erratically on Friday over all the contracts listed for white and yellow maize. The white maize market traded R 5 / ton higher for delivery in July 2021 for the day to close at R 3 103 / ton. The yellow maize market traded lower at delivery in July 2021 R 6 / ton to close at R 3 212 / ton.

Soybeans: There was little new news to support soybean prices Friday, which largely contributed to their slight losses. Expectations of a large Brazilian soy crop and concerns about African swine fever in China muted demand in the trading session. Losses were capped by strong U.S. usage projections. Chicago-based AgResource released a lower production estimate for Brazil's 2020/21 soybean crop currently being harvested, based on heavy rains slowing optimal harvest progress. AgResource pegs the crop at 129 million tons, down from USDA's February 2021 WASDE estimate of 132 million tons. **Local:** The local soybean market lost support on Friday over all contracts currently listed. The local soybean market traded for delivery in May 2021, R 73 / ton lower for the day to close at R 7 673 / ton.

Wheat: A strengthening dollar and a hangover from Thursday's dismal export sales report continued to wreak havoc on wheat prices in Friday's trading session. Large wheat crops in Australia and India also contributed to 2-3% lower prices for wheat as global wheat buyers find more accessible supplies than those in the U.S. Russia released updated harvest data for the 2020/21 crop year Friday morning. Russia's Federal Statistics Service (Rosstat) estimates 2020 wheat production at 85 million tons, a 15% increase from the previous year. The forecast remains the largest Russian wheat crop on record. USDA's February 2021 WASDE report pegs the 2020 Russian wheat crop at 85 million tons. Russia is the world's largest exporter of wheat. **Local:** The local wheat market received support on Friday and ended stronger over all listed contracts. The local wheat market traded R 39 / ton higher for delivery in July 2021 and closed at R 5 273 / ton.

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

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