


Grain SA's Morning Grain Market Commentary

 GFTN SA	DATE	DATE		+ - LAST WEEK		AT THE MONEY PUT OPTION FOR JUL 2020 DELIVERY								
	2020/04/02	2020/04/01		2020/03/23										
	Data	Δ	Δ%	Data	Δ%	Data	WM	YM						
DJIA-index	20944	-973.65	↓	-4.44%	21917	↑	9.2%	19174	Jul '20 FUTURES PRICE	R	2 563.00	R	2 722.00	
Goud (Spot)	1585.4	-2.19	↓	-0.14%	1587.59	↑	6.2%	1493.16	Put STRIKE PRICE	R	2 560.00	R	2 720.00	
Brent \$/vat	26.38	0.56	↑	2.2%	25.82	↑	1.4%	26.02	Put PREMIUM	R	137.28	R	136.09	
1 € / US\$	1.0945	-0.01	↓	-0.67%	1.1019	↑	1.9%	1.0743	MIN SAFEX PRICE	R	2 422.72	R	2 583.91	
1 US\$ / ZAR	18.17	0.30	↑	1.7%	17.87	↑	2.6%	17.71						
Corn Mar 20	R 2 393.44	-3	↓	-0.1%	R 2 396.14		*CBOT Corn Mar cents / bushel 08:00 today vs. CBOT Mar 12:00 the previous day							
Wheat Mar 20	R 3 673.32	-60	↓	-1.6%	R 3 733.49		* CBOT Wheat Mar cents / bushel 08:00 today vs. CBOT Wheat Mar 12:00 the previous day							
Soybeans Mar 20	R 5 759.00	-59	↓	-1.0%	R 5 817.57		* 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)														
Corn May 20	334.60	-6.00	↓	-1.8%	340.60	Parity prices delivered in								
Wheat May 20	550.20	-18.40	↓	-3.2%	568.60	Randfontein. WEAT BDN								
Soybeans May 20	862.60	-23.40	↓	-2.64%	886.00	import par not export par								
Latest MTM prices (SPOT = nearest contract month (Rand / ton))					Import parity	Export parity								
SORGHUM Mar '20	3161.00	0.00	↑	0.0%	3161.00	3660.00	2114.00							
WMAZ Spot	3195.00	-255.00	↓	-7.4%	3450.00	4415.00	1950.00							
WMAZ May 20	2683.00	-85.00	↓	-3.1%	2768.00	3570.00	2220.00							
WMAZ Jul 20	2563.00	-45.00	↓	-1.7%	2608.00	3640.00	2280.00							
YMAZ Spot	2743.00	-57.00	↓	-2.0%	2800.00	3350.00	1950.00							
YMAZ May 20	2713.00	-49.00	↓	-1.8%	2762.00	3570.00	2220.00							
YMAZ Jul 20	2722.00	-38.00	↓	-1.4%	2760.00	3640.00	2280.00							
SOY spot	6858.00	-117.00	↓	-1.7%	6975.00	6540.00	4670.00							
SOY May 20	6890.00	-110.00	↓	-1.6%	7000.00	7040.00	5030.00							
SUN Spot	5900.00	-100.00	↓	-1.7%	6000.00	6370.00	4890.00							
SUN May 20	5934.00	-135.00	↓	-2.2%	6069.00	6370.00	4890.00							
WHEAT Spot	5373.00	13.00	↑	0.2%	5360.00	5000.00	4680.00							
WHEAT May 20	5305.00	23.00	↑	0.4%	5282.00	5061.00	4740.00							
WHEAT Jul 20	5282.00	22.00	↑	0.4%	5260.00	5061.00	4740.00							
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS														
								week 47						
								MAIZE PRODUCER DELIVERIES						
								WEEK TOTAAL		6 583	7 806	14 389		
								JTD TOTAAL		5 407 121	5 388 681	10 795 802		
								NOK SKATTING + REGSTELLINGS		5 385 000	5 380 000	10 765 000		
								% GELEWER VAN OES		100.4%	100.2%	100.3%		
								week 25						
								WHEAT IMPORTS						
								2019/20		2018/19	5 Jr. GEM			
								WEEK TOTAL		0	44 918	30 658		
								YTD TOTAL		717 834	127 813	338 965		
								TOTAL NEEDED		1 750 000	1 355 881	1 671 817		
								YTD AS % OF NEEDED		41%	9%	20%		

Market Overview: the rand is trading at R18.19 against the dollar this morning. These are the weakest levels at which the rand is still trading in the history of the currency. The rand dropped to a new low on Wednesday as economic data globally and locally reinforced concern of a deep and prolonged slump because of the coronavirus outbreak, causing investors to dump riskier assets. Safe-haven currencies such as the dollar rose after US orders and employment levels dropped to their lowest levels in more than a decade. Absa's purchasing managers index improved in March, but that was not enough to prevent the worst quarter since 2009 for manufacturers. Worse news is yet to come as March only reflected three lost production day, a figure that will run to 10 in April once the effect of the national lockdown is included. Annual growth in formal sector jobs rose marginally in the final quarter of 2019, driven by growth in community services and trade, Stats SA data revealed on Tuesday. But the picture is likely to worsen in the year ahead, said economists, as SA faces the consequences of a 21-day lockdown needed to slow the spread of the coronavirus. The crisis sparked by the virus is now expected to result in a contraction in growth for 2020, with a number of economists forecasting that it could surpass the -1.5% level experienced during the 2009 global financial crisis. Motorists will pay at least R1.30 less per litre of fuel when they fill up from Wednesday April 1, the energy department has announced. However, an increase in fuel levies, which are due to come into effect in April, has offset a record drop in fuel prices that would have seen 95 octane drop by R2.19/l. The drop was caused by a crash in oil prices amid a price war between Saudi Arabia and Russia, coupled with lower demand for oil due to the coronavirus pandemic. The worst is yet to come for the manufacturing sector, despite an uptick in business conditions recorded during March, as the economy reels from the 21-day lockdown to slow the spread of the coronavirus. Business conditions in the manufacturing sector rose in March, according to the latest Absa purchasing managers index (PMI), but the full effect of the three-week shutdown will largely be felt during April, the bank said in a statement on Wednesday. "The nationwide lockdown imposed towards the end of March meant that most factories lost three working days compared to a normal March, while the 21-day lockdown will result in 10 working days lost in April," the bank said. The Absa PMI improved to 48.1 index points in March, from February's 44.3 index points, when the gauge reached more than decade lows. On a quarterly basis, however, the PMI averaged 45.9 index points, its worst quarterly performance since 2009, the bank said. The monthly increase was largely driven by the supplier deliveries sub-competent, which reflected slower delivery times. The Absa PMI — released in conjunction with Stellenbosch University's Bureau for Economic Research — is a monthly gauge of business conditions in the manufacturing sector. A reading below 50 points indicates a contraction in activity, while a reading above 50 indicates expansion in the sector. Manufacturing accounts for about 14% of SA's GDP. If the lockdown is extended, some factories will close permanently according to the bank.

Maize: Maize prices fell around 2% Wednesday as traders continue to worry about the combination of 39.25 million potential U.S. hectares getting planted this spring paired with a significant reduction in short-term ethanol demand. **Local:** The local maize price was suppressed yesterday and traded significantly lower on all contracts to end the day's trading in the red.

Soybeans: Soybean prices followed financial, energy and other grain prices significantly lower Wednesday in a broad-based selloff, closing about 2.5% lower today. **Local:** The local soybean prices followed the maize price lower to close significantly lower on all contracts and end the day session in the red.

Wheat: Wheat prices dropped sharply Wednesday after weak financial and energy futures triggered some major technical selling. A strengthening dollar supplied additional headwinds. **Local:** Wheat traded very volatile but found support in the weakening currency which provides parity prices support, which caused the wheat prices on all contracts traded to close the day's session in the green.

International trade updates during COVID-19: https://www.bollore-logistics.com/en/Pages/news/Coronavirus_Impact_Update.aspx
<https://www.nepia.com/industry-news/coronavirus-outbreak-impact-on-shipping/>

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

Compiled by: Ikageng Maluleke For any queries, contact ikageng@grainsa.co.za
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