

### Grain SA's Morning Grain Market Commentary

GRAIN SA GRAAN SA	DATE	DATE		+ - LAST WEEK		AT THE MONEY CALL OPTION FOR DECEMBER DELIVERY					
	2020/07/03	2020/07/02		2020/06/22							
	Data	Δ	Δ%	Data	Δ%	Data	WM	YM			
DJIA-index	25827	92.39	0.36%	25735	-1.0%	26080	Dec '20 FUTURES PRICE	R 2,744.00	R 2,858.00		
Goud (Spot)	1773.9	6.64	0.38%	1767.26	2.7%	1727.82	Call STRIKE PRICE	R 2,740.00	R 2,860.00		
Brent \$/vat	42.92	0.83	2.0%	42.09	4.2%	41.20	Call PREMIUM	R 166.75	R 142.19		
1 € / US\$	1.1233	0.00	-0.31%	1.1268	0.2%	1.1207	BREAKEVEN SAFEX PRICE	R 2,573.25	R 2,717.81		
1 US\$ / ZAR	16.97	-0.24	-1.4%	17.21	-2.8%	17.45					
Corn Mar 20	R 2,287.48	-72	-3.0%	R 2,359.13	*CBOT Corn July cents / bushel 08:00 today vs. CBOT July 12:00 the previous day						
Wheat Mar 20	R 3,055.35	-98	-3.1%	R 3,152.94	*CBOT Wheat July cents / bushel 08:00 today vs. CBOT Wheat July 12:00 the previous day						
Soybeans Mar 20	R 5,564.48	-86	-1.5%	R 5,650.76	*CBOT Soy July cents / bushel 08:00 today vs. CBOT Soy July 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 Jul 20	342.40	-5.80	-1.7%	348.20	Parity prices delivered in Randfontein. WEAT BDN		9	WM	YM	TM	
Wheat Jul 20	490.00	-8.60	-1.7%	498.60	import par not export par		WEEK TOTAL	18,253	89,098	107,351	
Soybeans Jul 20	892.40	-1.20	-0.13%	893.60			YTD TOTAL	162,299	316,778	479,077	
Latest MTM prices (SPOT = nearest contract month (Rand / ton))						Import parity	Export parity	EXPORTABLE	1,640,000	1,060,000	2,700,000
SORGHUM Jul'20	3138.00	0.00	0.0%	3138.00	5100.00	3100.00	YTD AS % OF EXPORTABLE	10%	30%	18%	
WMAZ Spot	2608.00	20.00	0.8%	2588.00	4400.00	2200.00	PACE/WEEK NEEDED	34,365	17,284	51,649	
WMAZ Sep 20	2655.00	26.00	1.0%	2629.00	4400.00	2200.00	MAIZE PRODUCER DELIVERIES				
WMAZ Dec 20	2744.00	28.00	1.0%	2716.00	4500.00	2100.00	WEEK TOTAAL	421,127	501,515	922,642	
YMAZ Spot	2723.00	27.00	1.0%	2696.00	3900.00	2200.00	JTD TOTAAL	1,867,572	2,660,780	4,528,352	
YMAZ Sep 20	2782.00	32.00	1.2%	2750.00	3900.00	2200.00	NOK SKATTING + REGSTELLINGS	8,863,776	6,104,258	14,968,034	
YMAZ Dec 20	2858.00	29.00	1.0%	2829.00	3900.00	2300.00	% GELEWER VAN OES	21.1%	43.6%	30.3%	
SOY spot	6900.00	-25.00	-0.4%	6925.00	7600.00	5200.00	WEEK 39				
SOY Sep 20	6979.00	-17.00	-0.2%	6996.00	7900.00	5500.00	WHEAT IMPORTS				
SUN Spot	5892.00	-12.00	-0.2%	5904.00	8500.00	6200.00	2019/20	29,720	30,137	5 Jr. GEM	
SUN Sep 20	5942.00	-92.00	-1.5%	6034.00	8500.00	6200.00	WEEK TOTAL	29,720	30,137	35,520	
WHEAT Spot	5385.00	-15.00	-0.3%	5400.00	5300.00	4800.00	YTD TOTAL	1,512,755	818,019	1,137,707	
WHEAT Sep 20	5040.00	-37.00	-0.7%	5077.00	5200.00	4700.00	TOTAL NEEDED	1,820,000	1,355,881	1,671,817	
WHEAT Dec 20	4792.00	-40.00	-0.8%	4832.00	5200.00	4700.00	YTD AS % OF NEEDED	83%	60%	68%	

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

**Market Overview:** The rand broke below R17/\$ for the time in three weeks. The JSE had its best day in a week on Thursday as global markets rallied following positive economic data and hopes for a Covid-19 vaccine. The rand strengthened and is trading at R16,97 this morning. SA's construction industry slumped in the first three months of 2020, with the Afrimat Construction Index showing that activity in the industry is now below that of the same period in 2011. The index, compiled by economist Roelof Botha and released on Thursday, is a composite indicator of the level of activity in the building and construction sectors. The index fell 12% year on year, with employment the only sub index to show an increase, of 0.3%. The biggest decline was in the value of new building plans passed, which fell 25.9%. The index has fallen below 100 basis points for the first time, and uses the first quarter of 2011 as a basis for comparison. The results were "terrible", and largely do not include the effects of the Covid-19 shutdown, said Botha.

**Maize:** Maize prices tilted more than 1.5% lower on a round of profit-taking and technical selling after drumming up substantial gains Tuesday and Wednesday. Keep an eye on hot, dry weather in the forecasts next week to see if a weather rally can reignite gains. Maize export shipments climbed to a marketing-year high, which was 21% better than the prior four-week average. Japan was the No. 1 destination. These private exporters reported to USDA the sale of nearly 203 000 tons of maize for delivery to China during the 2020/21 marketing year, which begins September 1. China, meantime, sold more than 4.089 million tons of its state maize reserves at auction earlier yesterday, selling 100% of the grain on offer. **Local:** In the local market maize founded good support and is trading in the green over all the contracts.

**Soybeans:** Soybean prices eased slightly Thursday on spillover weakness from corn and wheat, although a large sale to China reported this morning kept losses minimized. Export inspection news was mixed, with old crop sales dropping to a marketing-year low while new-crop sales were solid. Soybean export shipments were up 29% from a week ago and 6% above the prior four-week average. Egypt was the No. 1 destination. **Local:** Soybeans had some headwinds and traded lower to end the day's trading in the red over all contracts that traded.

**Wheat:** Wheat prices dropped significantly Thursday on a round of technical selling partly spurred by spillover weakness from other grains, with yield-friendly rains forecasted for the Plains this weekend adding additional headwinds. Ongoing drought challenges across the European Union earlier this year have analysts expecting an average 10% reduction in total EU wheat production this year. If realized, that would represent a nearly 11% drop below last year's production. Meantime, EU soft wheat exports for 2019/20 were 63% above the total cleared through June 23 a year ago. **Local:** In the local market the rand strengthened and that cause parity prices to lost some support and led to the wheat price dipping in to the red over all contracts that traded.

Domestic Market Insights & Data: [www.grainsa.co.za](http://www.grainsa.co.za) / [www.sagis.co.za](http://www.sagis.co.za)  
International Market Insights & Data: [www.usda.gov](http://www.usda.gov)

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