

### Grain SA's Morning Grain Market Commentary

DATE 2019/12/05 Data	DATE 2019/12/04		DATE 2019/11/25		+ - LAST WEEK 2019/11/25			AT THE MONEY PUT OPTION FOR JUL 2020 DELIVERY		
	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Jul '20 FUTURES PRICE	WM	YM
DJIA-index	27650	146.97 ↑	0.53%	27503	28066	-1.5%	28066	Jul '20 FUTURES PRICE	R 2 578.00	R 2 535.00
Goud (Spot)	1475.89	-3.16 ↓	-0.21%	1479.05	1455.6	1.4%	1455.6	Put STRIKE PRICE	R 2 580.00	R 2 540.00
Brent \$/vat	62.94	1.82 ↑	3.0%	61.12	62.38	0.9%	62.38	Put PREMIUM	R 228.25	R 149.24
1 € / US\$	1.1082	0.00 ↑	0.08%	1.1073	1.1014	0.6%	1.1014	MIN SAFEX PRICE	R 2 351.75	R 2 390.76
1 US\$ / ZAR	14.58	-0.06 ↓	-0.4%	14.64	14.75	-1.2%	14.75			
Corn Mar 19	R 2 115.70	-28 ↓	-1.3%	R 2 144.01				*CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day		
Wheat Mar 19	R 2 866.12	13 ↑	0.5%	R 2 853.17				*CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day		
Soybeans Mar 19	R 4 703.65	18 ↑	0.4%	R 4 685.35				*CBOT Soy Jan cents / bushel 08:00 today vs. CBOT Soy Jan 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 Dec 19	368.60	-3.40 ↓	-0.9%	372.00				Parity prices delivered in		
Wheat Dec 19	535.00	4.60 ↑	0.9%	530.40				Randfontein. WEAT BDN		
Soybeans Nov 19	878.00	7.00 ↑	0.80%	871.00				import par not export par		
Latest MTM prices (SPOT = nearest contract month (Rand / ton))										
SORGHUM Mar '20	3469.00	0.00 ↑	0.0%	3469.00	3660.00	2114.00				
WMAZ Spot	2685.00	-42.00 ↓	-1.5%	2727.00	4415.00	1950.00				
WMAZ Mar 20	2708.00	-69.00 ↓	-2.5%	2777.00	3570.00	2220.00				
WMAZ Jul 20	2578.00	-74.00 ↓	-2.8%	2652.00	3640.00	2280.00				
YMAZ Spot	2656.00	-63.00 ↓	-2.3%	2719.00	3350.00	1950.00				
YMAZ Mar 20	2668.00	-64.00 ↓	-2.3%	2732.00	3570.00	2220.00				
YMAZ Jul 20	2535.00	-64.00 ↓	-2.5%	2599.00	3640.00	2280.00				
SOY spot	5968.00	22.00 ↑	0.4%	5946.00	6540.00	4670.00				
SOY May 20	5713.00	-2.00 ↓	0.0%	5715.00	7040.00	5030.00				
SUN Spot	5416.00	6.00 ↑	0.1%	5410.00	6370.00	4890.00				
SUN May 20	5335.00	7.00 ↑	0.1%	5328.00	6370.00	4890.00				
WHEAT Spot	4387.00	9.00 ↑	0.2%	4378.00	5000.00	4680.00				
WHEAT Mar 20	4499.00	-2.00 ↓	0.0%	4501.00	5061.00	4740.00				
WHEAT May 20	4573.00	4.00 ↑	0.1%	4569.00	5061.00	4740.00				
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS										

**Market overview:** The rand has been strengthening since yesterday and is trading at R14.58 against the dollar this morning. The economy contracted 0.6% in the third quarter. Decreases have been registered in a number of industries, including the mining, transport, electricity and manufacturing sectors. The country's growth forecast has been repeatedly downgraded by the IMF, the World Bank and, more recently, the SA Reserve Bank for 2019 and 2020. GDP growth declined by 0.6% in the quarter from 3.2% in the second quarter, while it rose only 0.1% year-on-year. Stats SA's data showed on Tuesday. Bloomberg's average forecast was that GDP growth would rise by 0.4% year on year and remain unchanged for the quarter. Analysts said GDP pressure in the third quarter was likely to cause some movement in the rand, reaching a five-week high of R14.51 / \$ earlier before gains evaluated. At 11:41 hours the rand weakened 0.75% to R14.6547 / \$, 0.78% to R16.2393 / € and 1.05% to R19.022 / £. The euro was \$ 1.1081. Deon Kohlmeier, a RMB analyst, said a negative pressure on GDP would put bond yields under greater pressure "from the dire fiscal position the country already is in." Gold rose \$ 1,465.35, while platinum added 0.29% to \$ 901.25. Brent crude added 0.49% to \$ 61.21 a barrel. The United Nations, through its World Food Program, plans to increase more than double the number of people feeding it in Zimbabwe by 4.1 million by January 2020, they said on Tuesday. Some 7.7 million Zimbabweans are starving, while the country in Southern Africa has been fighting one of its worst food shortages in years. An estimated US \$ 293 million is needed for the WFP emergency response, with less than 30% of the sum insured.

**Maize:** US maize prices weakened yesterday as the market had fresh news to trade. Perhaps a ubiquitous factor is the amount of maize exported from Brazil, which is expected to reach 41 million tonnes, an 80% increase over the previous year's 22.8 million tonnes. The US dollar against the Brazilian real is still starting to reach new highs, which has been a negative force for US maize prices. Base levels are still strong, indicating small sales by producers, lack of supply or both. The harvest continues in the northern states, but the high moisture content and snow hinder the progress. **Local:** The local maize markets were under intense pressure yesterday. Large declines in price could be seen across all contracts that traded.

**Soybeans:** Soybean prices increased during yesterday's session. After yesterday's stability and thoughts on sold conditions, it looked like traders were willing to put aside short positions yesterday. Therefore, yesterday's rally was probably based more on the short cover and the management of profits than anything else that could be seen from a fundamental perspective. Little news on the tariff front and the expectation that Brazil will be sufficient for production again next week could keep price rallies in check. Dry levels are developing in Argentina, but it is still too early to attribute any potential yield loss. Nevertheless, it is monitored and can be supportive. **Local:** The local soybean markets were volatile and closed volatile with one in March and July in the green and the other in the red.

**Wheat:** Wheat continued volatility. Dry weather in Argentina appears on the charts, but that's probably not enough to contribute. The dry weather in Australia is having an impact, but the world has sufficient supplies. The major questions to be answered for years to come are US winter wheat planted acres, and in some parts of Europe, winter wheat planted acres. Both struggle with wet conditions. **Local:** The local wheat market also experienced volatile yesterday and closed the day's trading sideways with small price changes.

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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