

### Grain SA's Morning Grain Market Commentary

DATE 2019/12/10 Data	DATE 2019/12/09		DATE 2019/12/09		+ - LAST WEEK 2019/12/02		AT THE MONEY PUT OPTION FOR JUL 2020 DELIVERY			
	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Jul '20 FUTURES PRICE	WM	YM
DJIA-index	27910	-105.46	↓	-0.38%	28015	↓	-0.5%	28051	2 553.00	2 489.00
Goud (Spot)	1461.1	0.76	↑	0.05%	1460.34	↑	0.1%	1459.7	2 560.00	2 480.00
Brent \$/vat	64.19	0.00	↑	0.0%	64.19	↑	4.8%	61.25	212.95	137.42
1 € / US\$	1.1066	0.00	↑	0.10%	1.1055	↑	0.4%	1.1018	2 347.05	2 342.58
1 US\$ / ZAR	14.64	0.03	↑	0.2%	14.61	↑	0.0%	14.64		
Corn Mar 19	R 2 107.12	0	↓	0.0%	R 2 107.40				*CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day	
Wheat Mar 19	R 2 861.78	4	↑	0.1%	R 2 858.06				*CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day	
Soybeans Mar 19	R 4 826.29	52	↑	1.1%	R 4 774.53				*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	365.60	-0.80	↓	-0.2%	366.40					
Wheat Dec 19	532.00	-0.40	↓	-0.1%	532.40					
Soybeans Nov 19	897.20	7.80	↑	0.88%	889.40					
Latest MTM prices (SPOT = nearest contract month (Rand / ton)   Import parity   Export parity										
SORGHUM Mar '20	3469.00	0.00	↑	0.0%	3469.00	3660.00	2114.00			
WMAZ Spot	2606.00	-81.00	↓	-3.0%	2687.00	4415.00	1950.00			
WMAZ Mar 20	2622.00	-74.00	↓	-2.7%	2696.00	3570.00	2220.00	week 31	MAIZE PRODUCER DELIVERIES	
WMAZ Jul 20	2553.00	-47.00	↓	-1.8%	2600.00	3640.00	2280.00	WEEK TOTAAL	11 273	8 485
YMAZ Spot	2565.00	-69.00	↓	-2.6%	2634.00	3350.00	1950.00	JTD TOTAAL	5 163 560	5 055 495
YMAZ Mar 20	2577.00	-63.00	↓	-2.4%	2640.00	3570.00	2220.00	NOK SKATTING + REGSTELLINGS	5 378 240	5 369 610
YMAZ Jul 20	2489.00	-41.00	↓	-1.6%	2530.00	3640.00	2280.00	% GELEWER VAN OES	96.0%	94.2%
SOY spot	6200.00	66.00	↑	1.1%	6134.00	6540.00	4670.00			
SOY May 20	5880.00	45.00	↑	0.8%	5835.00	7040.00	5030.00	Week 9	WHEAT IMPORTS	
SUN Spot	5620.00	80.00	↑	1.4%	5540.00	6370.00	4890.00	2019/20	2018/19	5 Jr. GEM
SUN May 20	5500.00	72.00	↑	1.3%	5428.00	6370.00	4890.00	WEEK TOTAL	19 599	44 918
WHEAT Spot	4388.00	-2.00	↓	0.0%	4390.00	5000.00	4680.00	YTD TOTAL	426 412	127 813
WHEAT Mar 20	4477.00	1.00	↑	0.0%	4476.00	5061.00	4740.00	TOTAL NEEDED	1 750 000	1 355 881
WHEAT May 20	4540.00	-3.00	↓	-0.1%	4543.00	5061.00	4740.00	YTD AS % OF NEEDED	24%	9%

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

**Market Review:** With no significant data being released locally or from major global markets, stocks struggled to gain momentum in any direction. The rand is trading at R14.66 to the dollar this morning. The rand traded mostly weaker yesterday before it found some traction towards the JSE close. Brent crude traded mostly flat yesterday, while it was recorded trading 0.25% softer at \$64.22/barrel just after the JSE close. According to BankservAfrica, Black Friday transactions went up 36% from 2018 reaching 7.1 million, however this is unlikely to turn around South Africa's moribund economic growth prospects for 2019, despite an uptick in transactions and spending levels. After implementing stage 6 load shedding for the first time on yesterday, Eskom says it will continue with stage 4 load shedding on today until 11pm. Eskom has warned that cuts are likely to continue for the rest of the week as it battles severe capacity constraints caused by unplanned outages and flooding.

**Maize:** US maize futures picked up where they left off last week and that is sideways to lower with losses yesterday. Consolidation with a slightly bearish slant is the theme of the US maize market the past month and with today's monthly supply and demand due out, prices failed to find support despite double digit gains for soybeans most of the session. Wheat, however, did finish with losses and that too seems to be weighing on maize prices as Kensus City wheat, a competitor in the feed grains, made moderate losses and closed at its lowest level in three weeks. Export inspections were 480 060 tons, confirming slow export sales year to date. The market needs to see over 1.04 million tons per week to meet the USDA estimate of 47 million tons. While this is not impossible, each week that goes by makes it a little more difficult. Year to date inspections are at 6.5 million tons, which is down over 55% from last year. No matter how you look at it, the export sector is not holding its own weight and many analysts are concerned this will show up on today's Supply and Demand report. **Local:** Local maize futures traded lower during yesterday's session. March white maize contracts traded to a high of R2961 and a low of R2602, before closing the session R74 lower at R2622.

**Soybeans:** US soybean futures firmed again yesterday making solid gains on the November and March contracts. Analysts were somewhat disappointed that the soybean market did not have more bounce to it considering there were two major fundamental events that seemed to have supportive factors. A dryer forecast for Argentina continues to suggest major bean growing areas in that region are headed toward dryer and warmer conditions. Additionally, China on Friday is waiving tariffs on US soybeans and pork, while both the US and China negotiated a trade deal. This was said to be a positive event. US soybeans did respond earlier in the session, but the take off in upward prices was rather slow. Export inspections were friendly at 1.3 million tons. **Local:** Local soybean futures traded higher during yesterday's session. March soybean contracts traded at a low of R6120 and a high of R6180, before closing the session off R51 higher at R6150.

**Wheat:** US wheat futures finished mixed on all three exchanges as soft red winter finished lower, Kensus City (KC) wheat down, with May leading yesterday's drop, and Minneapolis steady to 1 higher. March KC wheat closed at its lowest level since the third week of November. The market is quite disappointed in the way KC wheat is behaving. Ample feed supplies of both KC wheat and maize in the very near term appear to be weighing on prices. Today we are likely to see USDA projection for wheat supplies declining due to drought in Australia. Yet, world inventories will probably not experience much change and so all of this weather development the last two months is very important to the Australian producer as ample world inventory suggests it is not necessarily a big deal. **Local:** Local wheat futures traded mixed during yesterday's session. March wheat contracts traded to a low of R4466 and a high of R4480, before closing the session off at R4477.

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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