

Grain SA's Morning Grain Market Commentary

DATE 2019/12/13	DATE 2019/12/12		+ - LAST WEEK 2019/12/02		AT THE MONEY PUT OPTION FOR JUL 2020 DELIVERY						
	Δ	Δ%	Data	Δ%	Data	WM	YM				
DJIA-index	28132	220.75 ↑	0.79%	27911	↑	0.3%	28051	Jul '20 FUTURES PRICE	R 2 557.00	R 2 503.00	
Goud (Spot)	1467.51	-7.39 ↓	-0.50%	1474.9	↑	0.5%	1459.7	Put STRIKE PRICE	R 2 560.00	R 2 500.00	
Brent \$/vat	64.46	0.55 ↑	0.9%	63.91	↑	5.2%	61.25	Put PREMIUM	R 198.39	R 140.26	
1 € / US\$	1.1170	0.00 ↑	0.26%	1.1141	↑	1.4%	1.1018	MIN SAFEX PRICE	R 2 361.61	R 2 359.74	
1 US\$ / ZAR	14.43	-0.23 ↓	-1.6%	14.66	↓	-1.4%	14.64				
Corn Mar 19	R 2 084.85	21 ↑	1.0%	R 2 063.83				* CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day			
Wheat Mar 19	R 2 858.90	1 ↑	0.0%	R 2 858.14				* CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day			
Soybeans Mar 19	R 4 762.36	-50 ↓	-1.0%	R 4 812.41				* 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	367.00	9.40 ↑	2.6%	357.60				Parity prices delivered in			
Wheat Dec 19	539.20	8.60 ↑	1.6%	530.60				Randfontein. WEAT BDN			
Soybeans Nov 19	898.20	4.80 ↑	0.54%	893.40				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				Import parity	3660.00	2114.00	
WMAZ Spot	2631.00	-4.00 ↓	-0.2%	2635.00				Export parity	4415.00	1950.00	
WMAZ Mar 20	2646.00	-6.00 ↓	-0.2%	2652.00							
WMAZ Jul 20	2557.00	0.00 ↑	0.0%	2557.00							
YMAZ Spot	2575.00	-25.00 ↓	-1.0%	2600.00							
YMAZ Mar 20	2588.00	-20.00 ↓	-0.8%	2608.00							
YMAZ Jul 20	2503.00	-14.00 ↓	-0.6%	2517.00							
SOY spot	6140.00	-70.00 ↓	-1.1%	6210.00							
SOY May 20	5816.00	-69.00 ↓	-1.2%	5885.00							
SUN Spot	5780.00	35.00 ↑	0.6%	5745.00							
SUN May 20	5606.00	-27.00 ↓	-0.5%	5633.00							
WHEAT Spot	4435.00	33.00 ↑	0.7%	4402.00							
WHEAT Mar 20	4474.00	-4.00 ↓	-0.1%	4478.00							
WHEAT May 20	4527.00	-18.00 ↓	-0.4%	4545.00							
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 R14.42 this morning against the dollar. Brent crude is trading at \$ 64.46 a barrel this morning. Figures released on Thursday highlight the pressure the SA economy is facing, as the fight against Eskom's power cuts is amid fears it will end up in a recession. Poor figures for mining and trading activities, as well as the slowdown in producer inflation, highlighted the difficult business conditions and led to a fall in demand. This could put the government under pressure to apply structural reform to promote growth. Mining production fell for the third consecutive month in October, indicating a bad fourth quarter as SA counts the cost of the latest round of load shedding. Mining shrank 2.6% in October compared to the same period in 2018, worse than the Bloomberg consensus of a 2.6% drop. Copper led the declines and fell 41.4%, while diamond production fell 39.3%. Capital Economics emerging market economist John Ashbourne said the risk of a full-quarter downturn increased this week after technical problems at Eskom led to major power cuts. Producer inflation moderated to its lowest level in more than four years in November. The mitigation highlights the low levels of demand in the SA economy, which shrank in the third quarter of 2019, fearing it could fall into a recession as Eskom continues to power outages. The annual change in producer price inflation was 2.3% in November, down from 3% in October. This is among the market forecasts that, according to a Bloomberg poll, expected an average of 2.9%. Coke, petroleum, chemical, rubber and plastic products, which account for more than 20% of the final manufactured goods basket, fell 2.2% year-on-year, with declines in petrol and petroleum products. diesel prices.

Maize: US maize prices were red hot on Thursday, rising almost 3% as a result of short-term coverage and technical purchases expected yesterday morning by trade optimism and better exports than USDA. Local: White and yellow maize fluctuated and mainly ended the day's negatives.

Soybeans: The US price of soybeans showed a moderate rise on a welcome US trade news on Thursday morning, holding gains as the session went on. Soybean base offerings were mixed yesterday at inland river terminals and Midwest processors, moving up to 2 cents (US cents) lower and 5 cents (US cents) higher, as farmers' sales generally remained sluggish amid hopes that they would see higher prices following a partial US-China trade agreement. Dow Jones reported on Tuesday that US negotiators offered to cancel 15% tariffs, threatening to raise \$ 160 million in Chinese goods and lower existing tariffs to another \$ 360 billion in Chinese goods. This is a step that has largely been interpreted as a sign that a phase-one trade between the two countries is prominent. However, is also dependent on China cooperating at the end of the agreement. **Local:** War has been waged on the soybean futures and major losses have been suffered. A sharp drop in the price was seen across all contracts traded.

Wheat: US wheat prices jumped significantly higher, with some contracts closing at almost 3%, following better export data than expected and general trade optimism in the US-China triggered technical purchases and short cover. Wheat exports improved 33% from the four-week average. Wheat shipping fell to a low last week, but it remained 4% below the previous four-week average. **Local:** Wheat was rocking during yesterday's session and experienced a mostly negative day with declines on the majority of contracts traded.

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

Compiled by: Ruan Schutte For any queries, contact ikageng@grainsa.co.za
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