

### Grain SA's Morning Grain Market Commentary

DATE 2019/04/15	DATE 2019/04/12		+ - LAST WEEK 2019/04/11		AT THE MONEY PUT OPTION				
	Δ	Δ%	Data	Δ	Data	JUL '19 FUTURES PRICE	WM	YM	
DJIA-index	26412	255.30 ↑	1.0%	26157	1.0%	26157	R 2,714.00	R 2,591.00	
Goud (Spot)	1287.66	-5.76 ↓	-0.4%	1293.42	-1.5%	1307.17	R 2,720.00	R 2,600.00	
Brent \$/vat	71.67	0.61 ↑	0.9%	71.06	0.2%	71.55	R 127.78	R 92.53	
1 € / US\$	1.1304	0.00 ↑	0.2%	1.1283	0.2%	1.1277	MIN SAFEX PRICE R 2,592.22 R 2,507.47		
1 US\$ / ZAR	13.94	-0.06 ↓	-0.4%	14.00	0.1%	13.92			
Corn Mar 19	R 1,981.13	-3 ↓	-0.2%	R 1,984.14	*CBOT Corn May cents / bushel 08:00 today vs. CBOT May 12:00 the previous day				
Wheat Mar 19	R 2,378.69	10 ↑	0.4%	R 2,368.35	*CBOT Wheat May cents / bushel 08:00 today vs. CBOT Wheat May 12:00 the previous day				
Soybeans Mar 19	R 4,585.28	-22 ↓	-0.5%	R 4,607.07	*CBOT Soy May cents / bushel 08:00 today vs. CBOT Soy May 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 day)					WEEK NR.	MAIZE EXPORTS			
Corn Mar 19	361.00	1.00 ↑	0.3%	360.00	Parity prices delivered in Randfontein. WEAT BDN import par not export par				
Wheat Mar 19	464.40	4.00 ↑	0.9%	460.40	48				
Soybeans Jan 18	895.20	-0.40 ↓	0.0%	895.60	WEEK TOTAL 11,578 6,107 17,685				
Latest MTM prices (SPOT = nearest contract month (Rand / ton)					YTD TOTAL 518,051 1,504,314 2,022,365				
SORGHUM Mar '19	3568.00	0.00 ↑	0.0%	3568.00	EXPORTABLE 1,300,000 2,100,000 3,400,000				
WMAZ Spot	2631.00	16.00 ↑	0.6%	2615.00	YTD AS % OF EXPORTABLE 40% 72% 59%				
WMAZ May 19	2670.00	8.00 ↑	0.3%	2662.00	PACE/WEEK NEEDED 195,487 148,922 344,409				
WMAZ Jul 19	2722.00	8.00 ↑	0.3%	2714.00					
YMAZ Spot	2548.00	5.00 ↑	0.2%	2543.00					
YMAZ May 19	2575.00	-1.00 ↓	0.0%	2576.00					
YMAZ Jul 19	2592.00	1.00 ↑	0.0%	2591.00					
SOY spot	4730.00	-7.00 ↓	-0.1%	4737.00					
SOY May 19	4771.00	-6.00 ↓	-0.1%	4777.00					
SUN Spot	4940.00	0.00 ↑	0.0%	4940.00					
SUN May 19	4996.00	13.00 ↑	0.3%	4983.00					
WHEAT Spot	4543.00	32.00 ↑	0.7%	4511.00					
WHEAT May 19	4588.00	33.00 ↑	0.7%	4555.00					
WHEAT Jul 19	4627.00	27.00 ↑	0.6%	4600.00					
					WHEAT IMPORTS				
					2018/19 2017/18 5 Jr. GEM				
					WEEK TOTAL 5,148 - 28,795				
					YTD TOTAL 460,960 1,145,540 917,219				
					TOTAL NEEDED 1,520,000 2,173,234 1,727,637				
					YTD AS % OF NEEDED 30% 53% 53%				

**Market Review:** The rand moved sideways over the weekend and traded at R13.94 against the dollar. Data released this year is expected to show upward pressure on food prices, among other things, has accelerated consumer inflation in March. Inflation decreased in 2019. The consumer price index (CPI), published on Wednesday, is expected to have risen closer to the central bank's 3% -6% target. Mr. FNB chief economist Mamello Matikina-Ngwenya predicted 4.6% for March. It is expected that much of the upward pressure of low March 2018 base prices will come from food prices, especially bread and cereals, vegetables, as well as sugar, sweets and desserts. "The 74c / l increase in petrol prices in March will Expectations of inflation have also increased, and inflation inflation is also expected to outweigh actual rental, owner-occupied rental, household wages, motor vehicle insurance, local transport costs and education fees, while Elize Kruger, senior economist at NKC African Economics, predicts inflationary pressures, from 4.7% in March from 4.1% in February, March is expected to be the 24th consecutive month in which inflation remained below the Bank's 6% upper target, while Kruger said in the short term, higher fuel prices and an increase in electricity and food prices by mid-year will increase consumer inflation, with consumer inflation projected at an average of 4.7% in 2019. The cheap inflation environment was expected to have a positive impact on retail trade in February, which rose 1.2% in January. Matikina-Ngwenya said previous low inflation and a positive disposable income effect due to petrol price cuts in December, January and February would have supported spending increases during the month. Administered prices, rather than demand, fuel inflation. Nedbank chief economist Dennis Dykes predicted that retail sales would take a bit of a halt. February was the first full month affected by load shedding, although consumers could not be as severely affected as the power intensive manufacturing and mining sectors. Dykes said the effects of the 25 base-point increase in interest rates in November dampened the small trading results. "The consumer is still under pressure, there is no doubt about it, and if you look at retailers there is no doubt that they feel the reduced spending power of the consumer." In February, Kruger predicted a 0.7% decline in retail sales a year. Other data due this week is tourism and migration data for February and the first of the Bank's biannual publication of monetary policy review on Wednesday.

**Maize:** US maize prices spent most of the day underwater, but started late with small profits. European Union Strategy Grains expects EU farmers to plant about 4% more hectares this season, reaching 8,699 million hectares. The consultation also expects a 2% increase in maize production a year ago, by 63 million tons. South Korea bought another 63,000 tons of maize from optional origin in an international tender closed on Friday. The grain is due for arrival in mid-November. Over the past few weeks, the country is constantly making purchases in general at low prices - more than 787,000 tonnes have been purchased since early March. Turkey has issued a series of international tenders to buy as much as 299,000 tons of maize, which closes on April 24. Local: White maize experienced a positive day and April white maize closed R 16 higher at R 2 631. Yellow maize moved down all contracts but spot price closed R5 higher at R 2 548.

**Soybeans:** US soybean prices experienced a very volatile Friday and eventually closed unchanged. Before Monday's monthly soybean report from the National Oil Seed Processors Association (NOPA), a group of analysts estimated a March press totalling 4,572 million tons. If this is realized, the total of February's press will exceed 8.8% and be the second largest in March. China imported 4.920 million soybeans in March, increasing by 10.5% from the country's February total. Much of the grain comes from the US and Brazil. China is the world's number 1 soybean importer. Local: South African soybean prices experienced a rocky day on Friday and the April price dropped by R7 and closed at R4 730.

**Wheat:** US wheat prices are mixed, with winter wheat contracts nearly 1% higher on late-round technical purchases. Algeria bought 538 000 tonnes of wheat from optional origin in a tender closed on Friday. The grain is for delivery in June. Egypt bought 239 000 tons of wheat in an international tender on Friday. Two-thirds of the total comes from Romania, and the rest comes from Ukraine. The grain will be shipped late May to early June. Local: On Friday, wheat experienced a positive day on SAFEX with a price increase over all contracts. April wheat rose about R 32 and closed Friday's session at R 4 543.

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)

Compiled by: Luan van der Walt, Ruan Schutte and Ikageng Maluleke For any queries, contact [Ikageng@grainsa.co.za](mailto:Ikageng@grainsa.co.za)  
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