

Grain SA's Morning Grain Market Commentary

DATE 2020/07/15	DATE 2020/07/14			+ - LAST WEEK 2020/07/06		AT THE MONEY CALL OPTION FOR DECEMBER DELIVERY					
	Data	Δ	Δ%	Data	Δ	Data	WM	YM			
DJIA-index	26643	556.79	2.13%	26086	3.2%	25827	Dec '20 FUTURES PRICE	R 2,681.00	R 2,772.00		
Goud (Spot)	1805.97	7.62	0.42%	1798.35	1.9%	1772.67	Call STRIKE PRICE	R 2,680.00	R 2,780.00		
Brent \$/vat	43.07	1.17	2.8%	41.90	-0.1%	43.12	Call PREMIUM	R 157.91	R 122.51		
1 € / US\$	1.1393	0.01	0.45%	1.1342	0.9%	1.1287	BREAKEVEN SAFEX PRICE	R 2,522.09	R 2,657.49		
1 US\$ / ZAR	16.69	-0.14	-0.8%	16.83	-1.4%	16.93					
Corn Mar 20	R 2,198.49	-14	-0.7%	R 2,212.96			*CBOT Corn July cents / bushel 08:00 today vs. CBOT July 12:00 the previous day				
Wheat Mar 20	R 3,217.12	-27	-0.8%	R 3,244.11			* CBOT Wheat July cents / bushel 08:00 today vs. CBOT Wheat July 12:00 the previous day				
Soybeans Mar 20	R 5,410.11	-10	-0.2%	R 5,419.63			* 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	334.60	0.60	0.2%	334.00	Parity prices delivered in Randfontein. WEAT BDN		10	WM	YM	TM	
Wheat Jul 20	524.60	0.00	0.0%	524.60	import par not export par		WEEK TOTAL	43,548	87,702	131,250	
Soybeans Jul 20	882.20	5.80	0.66%	876.40			YTD TOTAL	224,270	412,037	636,307	
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	4900.00	2900.00	YTD AS % OF EXPORTABLE	14%	39%	24%	
WMAZ Spot	2569.00	4.00	0.2%	2565.00	4000.00	2200.00	PACE/WEEK NEEDED	33,708	15,428	49,136	
WMAZ Sep 20	2599.00	5.00	0.2%	2594.00	3990.00	2200.00	MAIZE PRODUCER DELIVERIES				
WMAZ Dec 20	2681.00	1.00	0.0%	2680.00	3990.00	2200.00	WEEK TOTAAL	358,996	319,298	678,294	
YMAZ Spot	2651.00	-1.00	0.0%	2652.00	3990.00	2200.00	JTD TOTAAL	2,447,982	3,160,107	5,608,089	
YMAZ Sep 20	2693.00	-6.00	-0.2%	2699.00	3970.00	2200.00	NOK SKATTING + REGSTELLINGS	8,863,776	6,104,258	14,968,034	
YMAZ Dec 20	2772.00	-8.00	-0.3%	2780.00	4000.00	2300.00	% GELEWER VAN OES	27.6%	51.8%	37.5%	
SOY spot	6862.00	-8.00	-0.1%	6870.00	7500.00	5100.00	WEEK 40				
SOY Sep 20	6897.00	-11.00	-0.2%	6908.00	7800.00	5400.00	WHEAT IMPORTS				
SUN Spot	5920.00	43.00	0.7%	5877.00	8300.00	5800.00	2019/20	2018/19	5 Jr. GEM		
SUN Sep 20	6030.00	41.00	0.7%	5989.00	8300.00	5800.00	WEEK TOTAL	14,707	8,944	33,985	
WHEAT Spot	5501.00	27.00	0.5%	5474.00	5100.00	4600.00	YTD TOTAL	1,527,021	858,212	1,214,279	
WHEAT Sep 20	5190.00	21.00	0.4%	5169.00	5400.00	4900.00	TOTAL NEEDED	1,820,000	1,355,881	1,671,817	
WHEAT Dec 20	4838.00	1.00	0.0%	4837.00	5400.00	4900.00	YTD AS % OF NEEDED	84%	63%	73%	

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

Market Overview: The JSE may not get clear direction from Asian markets on Wednesday morning, with geopolitical tension competing with the optimism around an economic recovery and a Covid-19 vaccine. US President Donald Trump on Tuesday signed into a law an executive order removing Hong Kong's preferential treatment in the wake of tighter security laws there. The order entails "no special privileges, no special economic treatment, and no export of sensitive technologies". There is some optimism on global markets about the prospect of a Covid-19 vaccine in coming months, while US inflation data for June beat expectations. In morning trade on Wednesday the Shanghai Composite was down 1.4% while Japan's Nikkei had added 1.32%. The rand is trading at R16.69 this morning against the dollar. Mining production fell 29.8% year on year in May, Stats SA data revealed on Tuesday. This was lower than April's fall, which was worse than previously reported at a revised -50.3%, and the worst on record since the agency began the series in 1980s. On a month-on-month, seasonally adjusted basis, mining production rose 44% in May from the previous month's decline of a revised 36.8%. Renewed debate on the merit of a basic income grant kicked into high gear this week, after social development minister Lindiwe Zulu said discussions for its introduction have been brought back to the table. The government has contemplated a basic income grant, which would provide income support to people aged 18-59, who are ineligible for other social grants, for almost two decades, but it has gained new momentum amid the economic crisis precipitated by the coronavirus.

Maize: Maize prices were narrowly mixed on an uneven round of technical maneuvering yesterday, after traders mostly ignored a massive sale to China this yesterday morning and are still largely preoccupied with how much yield-replenishing rains the Midwest will see later this week. Maize crop quality fell another two points last week, moving from 71% of the crop rated in good-to-excellent condition down to 69%. **Local:** Maize traded mixed in the local market yesterday and ended the day's trading mostly in the red.

Soybeans: Soybean prices moved moderately higher Tuesday on a round of technical selling amid another large sale to China announced this morning, along with lower-than-expected crop quality ratings. Soybean crop quality took a big step down, moving from 71% rated in good-to-excellent condition a week ago down to 68% through July 12. **Local:** Soybeans had a difficult day in the local market yesterday and traded in the red over all the contracts that is currently listed.

Wheat: Wheat prices were mixed but mostly higher on a round of short-covering amid expectations of a smaller crop coming out of Russia. The winter wheat harvest continues to move a bit closer to the finish line, moving from 56% complete a week ago up to 68% through July 12. Spring wheat harvest will also kick off in a few short weeks, with 80% of the crop now headed. That's above 2019's pace of 72% but behind the prior five-year average of 85%. Russian consultancy Sovecon has lowered its estimates for the country's 2020 wheat production by 1.4%, citing drought stress in Russia's southern regions. In Ukraine, analyst APK-Inform boosted the country's wheat production estimates by 3.3%. **Local:** Wheat had a good day and ended trading in the local market in the green over all contracts that traded yesterday.

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

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