

Grain SA's Morning Grain Market Commentary

| DATE 2020/01/17 Data | DATE 2020/01/16 | | DATE 2020/01/15 | | + - LAST WEEK 2020/01/09 | | AT THE MONEY PUT OPTION FOR JUL 2020 DELIVERY | | | |
|--|--------------------|-----------|--------------------|------------|-----------------------------|---------|---|--|------------|------------|
| | Δ | Δ% | Data | Δ% | Data | Δ% | Data | Jul '20 FUTURES PRICE | WM | YM |
| DJIA-index | 29298 | 267.42 ↑ | 0.92% | 29030 | 28745 | 1.9% | 28745 | Put STRIKE PRICE | R 2 452.00 | R 2 467.00 |
| Goud (Spot) | 1555.11 | -0.99 ↓ | -0.06% | 1556.1 | 1554.02 | 0.1% | 1554.02 | Put PREMIUM | R 149.41 | R 127.79 |
| Brent \$/vat | 64.61 | 0.17 ↑ | 0.3% | 64.44 | 65.77 | -1.8% | 65.77 | MIN SAFEX PRICE | R 2 310.59 | R 2 332.21 |
| 1 € / US\$ | 1.1136 | 0.00 ↓ | -0.13% | 1.1151 | 1.1115 | 0.2% | 1.1115 | | | |
| 1 US\$ / ZAR | 14.40 | 0.03 ↑ | 0.2% | 14.37 | 14.15 | 1.8% | 14.15 | | | |
| Corn Mar 19 | R 2 128.13 | -63 ↓ | -2.9% | R 2 191.59 | | | | *CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day | | |
| Wheat Mar 19 | R 2 990.53 | -36 ↓ | -1.2% | R 3 026.54 | | | | *CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day | | |
| Soybeans Mar 19 | R 4 888.97 | -14 ↓ | -0.3% | R 4 903.07 | | | | *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 Mar 20 | 375.40 | -12.00 ↓ | -3.1% | 387.40 | | | | Parity prices delivered in | | |
| Wheat Mar 20 | 565.20 | -8.00 ↓ | -1.4% | 573.20 | | | | Randfontein. WEAT BDN | | |
| Soybeans Mar 20 | 924.00 | -4.60 ↓ | -0.50% | 928.60 | | | | import par not export par | | |
| Latest MTM prices (SPOT = nearest contract month (Rand / ton) | | | | | | | | | | |
| Sorghum Mar '20 | 3215.00 | 0.00 ↑ | 0.0% | 3215.00 | 3660.00 | 2114.00 | | | | |
| WMAZ Spot | 2900.00 | 26.00 ↑ | 0.9% | 2874.00 | 4415.00 | 1950.00 | | | | |
| WMAZ Mar 20 | 2872.00 | 30.00 ↑ | 1.1% | 2842.00 | 3570.00 | 2220.00 | | | | |
| WMAZ Jul 20 | 2452.00 | -27.00 ↓ | -1.1% | 2479.00 | 3640.00 | 2280.00 | | | | |
| YMAZ Spot | 2816.00 | 31.00 ↑ | 1.1% | 2785.00 | 3350.00 | 1950.00 | | | | |
| YMAZ Mar 20 | 2813.00 | 30.00 ↑ | 1.1% | 2783.00 | 3570.00 | 2220.00 | | | | |
| YMAZ Jul 20 | 2467.00 | -21.00 ↓ | -0.8% | 2488.00 | 3640.00 | 2280.00 | | | | |
| SOY spot | 6080.00 | -140.00 ↓ | -2.3% | 6220.00 | 6540.00 | 4670.00 | | | | |
| SOY May 20 | 5798.00 | -114.00 ↓ | -1.9% | 5912.00 | 7040.00 | 5030.00 | | | | |
| SUN Spot | 5677.00 | 17.00 ↑ | 0.3% | 5660.00 | 6370.00 | 4890.00 | | | | |
| SUN May 20 | 5585.00 | -16.00 ↓ | -0.3% | 5601.00 | 6370.00 | 4890.00 | | | | |
| WHEAT Spot | 4545.00 | 25.00 ↑ | 0.6% | 4520.00 | 5000.00 | 4680.00 | | | | |
| WHEAT Mar 20 | 4559.00 | 17.00 ↑ | 0.4% | 4542.00 | 5061.00 | 4740.00 | | | | |
| WHEAT May 20 | 4615.00 | 20.00 ↑ | 0.4% | 4595.00 | 5061.00 | 4740.00 | | | | |

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

Market overview: Global markets traded higher yesterday after the US-China phase one deal was signed. South African markets followed a similar trend as the South African Reserve Bank (SARB) announced its interest rate decision yesterday. The committee decided to cut the repo rate by 25 basis points from 6.50% to 6.25% as the central bank highlighted that the risks to economic growth are increasing; this will be a reprieve those paying off debt. The rand is trading at R14.40 against the dollar this morning; the local currency fluctuated around the time the SARB governor was delivering the MPC statement. Brent crude oil is trading at \$64.61/barrel this morning, the oil recovered most of its losses from the Wednesday as it traded mostly firmer yesterday. President Cyril Ramaphosa will not be attending the World Economic Forum that takes place in Davos next week; he has opted to take time to focus on pressing domestic matters as the country battles political and economic challenges.

Maize: US maize futures traded sharply lower yesterday morning after the US-China deal was signed. Yesterday's phase one deal signing did not include any specific language about purchases of US maize or ethanol; though Distiller's dried grains with solubles (DDG's) were a highlighted product. Although China was not previously a major buyer of US maize, traders were still disappointed by China's lack of commitment to purchases. The US sold nearly 785,000 tons of maize for the week ending January 9th, up sharply from last week and up 4% from the previous 4-week average. Speculative funds are thought to have sold 9,000 contracts of maize yesterday. Analysts have raised Ukraine's 2019 maize estimates by 2.6% now reaching 34.5 million tons; with exports forecast also improved 1.9%, now at 27.5 million tons. An EU consultancy firm has drastically increased the 2020 maize forecast, from December estimates, now reaching 67.2 million tons. **Local:** Local maize prices traded mixed during yesterday's session, with most of the nearby contracts making moderate gains. March white maize contracts traded to a low of R2840 and a high of R2890 and closed the session off at R2872.

Soybeans: The US soybean market came under pressure yesterday and closed lower for the day after some sales in the market. However, the losses for the day were limited. The market is still watching developments between the US and China after these two countries have signed a partial trade agreement. The market will first want to watch its practical implementation before they get too excited about it. Private exporters reported export sales of about 180 000 tonnes of soybean oilcake to the USDA yesterday. It is for delivery to the Philippines during the 2019/20 marketing season. Weekly soybean export sales were reported at 710 000 tonnes, which is right in the middle of weekly trade expectations. Export sales for the week were also about 3% more than the previous 4 weeks' average export sales. The total year-to-date US soybean exports for the season are about 30% more than the previous season at the same time of year. Weekly soybean shipments are also about 14% more than the previous week's exports and 13% more than the previous 4-week average. China was the biggest recipient of US soybeans for the week. **Local:** The local soybean market came under heavy pressure yesterday and closed lower for the day in most of the contract months currently listed.

Wheat: The US wheat market came under pressure yesterday and closed lower for the day. The pressure on the US market can largely be attributed to profit taking. All three US wheat markets closed lower for the day yesterday. The weekly wheat export sales were more positive this week, reaching around 710 000 tonnes. This includes both old and new season sales. It was also significantly higher than the general trade expectations for the week and the total year to date wheat exports for the season are about 20% more than the previous season's year to date exports. US wheat export shipments were also 30% higher this week than last week's export shipments. The Philippines, South Korea and Mexico were the largest recipients of US wheat for the week. In the EU, the latest estimate is that the region's soft wheat exports for the 2019/20 season should reach around 30.5 million tonnes. The estimate has been adjusted upwards by 6.3% from the previous December forecast. **Local:** The local wheat market found support yesterday and traded higher for the day in most of the contract months currently listed.

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

Compiled by: Ikageng Maluleke For any queries, contact ikageng@grainsa.co.za
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