

Grain SA's Morning Grain Market Commentary

DATE 2019/08/19	DATE 2019/08/16		+ - LAST WEEK 2019/08/12		AT THE MONEY CALL OPTION FOR DECEMBER DELIVERY			
	Δ	Δ%	Data	Δ%	Data	WM	YM	
DJIA-index	25886	306.62 ↑	1.20%	25579	-1.5%	26287	Dec '19 FUTURES PRICE R 3 042.00	R 2 850.00
Goud (Spot)	1507.74	-13.79 ↓	-0.91%	1521.53	0.7%	1496.89	Call STRIKE PRICE R 3 040.00	R 2 860.00
Brent \$/vat	59.41	0.39 ↑	0.7%	59.02	1.7%	58.41	Call PREMIUM R 195.67	R 116.00
1 € / US\$	1.1090	0.00	-0.10%	1.1101	-1.0%	1.1207	SAFEX BE PRICE R 3 235.67	R 2 976.00
1 US\$ / ZAR	15.26	0.04 ↑	0.3%	15.22	0.1%	15.24		
Corn Mar 19	R 2 228.80	68 ↑	3.2%	R 2 160.64	*CBOT Corn Sep cents / bushel 08:00 today vs. CBOT Sep 12:00 the previous day			
Wheat Mar 19	R 2 638.70	16 ↑	0.6%	R 2 622.83	*CBOT Wheat Sep cents / bushel 08:00 today vs. CBOT Wheat Sep 12:00 the previous day			
Soybeans Mar 19	R 4 862.47	64 ↑	1.3%	R 4 798.27	*CBOT Soy Aug cents / bushel 08:00 today vs. CBOT Soy Aug 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 Sep 19	371.00	10.40 ↑	2.9%	360.60	Parity prices delivered in			
Wheat Sep 19	470.60	1.60 ↑	0.3%	469.00	Randfontein. WEAT BDN			
Soybeans Aug 19	867.20	9.20 ↑	1.07%	858.00	import par not export par			
Latest MTM prices (SPOT = nearest contract month (Rand / ton))								
SORGHUM Sep '19	3288.00	8.00 ↑	0.2%	3280.00	3694.00	2040.00		
WMAZ Spot	2933.00	10.00 ↑	0.3%	2923.00	4380.00	2940.00		
WMAZ Sep 19	2949.00	7.00 ↑	0.2%	2942.00	3790.00	2350.00	week 15 MAIZE PRODUCER DELIVERIES	
WMAZ Dec 19	3042.00	8.00 ↑	0.3%	3034.00	3820.00	2380.00	WEEK TOTAAL	1 306 949
YMAZ Spot	2768.00	-3.00 ↓	-0.1%	2771.00	3330.00	1860.00	JTD TOTAAL	3 795 638
YMAZ Sep 19	2779.00	-4.00 ↓	-0.1%	2783.00	3790.00	2350.00	NOK SKATTING + REGSTELLINGS	5 328 040
YMAZ Dec 19	2850.00	-9.00 ↓	-0.3%	2859.00	3820.00	2380.00	% GELEWER VAN OES	71.2%
SOY spot	5682.00	-33.00 ↓	-0.6%	5715.00	6150.00	4246.00		92.2%
SOY Sep 19	5676.00	-42.00 ↓	-0.7%	5718.00	6555.00	4512.00		81.4%
SUN Spot	5487.00	-1.00 ↓	0.0%	5488.00	6190.00	4630.00	Week 45	WHEAT IMPORTS
SUN Sep 19	5526.00	3.00 ↑	0.1%	5523.00	6190.00	4630.00	2018/19	2017/18
WHEAT Spot	4717.00	67.00 ↑	1.4%	4650.00	4770.00	4450.00	30 928	101 572
WHEAT Sep 19	4683.00	14.00 ↑	0.3%	4669.00	4995.00	4675.00	974 633	1 425 163
WHEAT Dec 19	4643.00	4.00 ↑	0.1%	4639.00	5096.00	4780.00	1 500 000	2 173 234
							YTD TOTAL	1 181 230
							TOTAL NEEDED	1 727 637
							YTD AS % OF NEEDED	65%
								66%
								68%

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

Market overview: The rand is trading at R15.26 against the dollar this morning. The rand closed at R15.23 to the dollar on Friday afternoon, after gaining some support from comments by the International Monetary Fund that South Africa does not need any funding for now despite high debt levels. The JSE closed off a difficult trading week on Friday, ending the day flat as sentiment remained mostly bearish for local stocks. An outlook on the economic week ahead, Consumer inflation (CPI) will be released this week, with analysts expecting a slight drop just below the midpoint of the reserve bank's inflation target range. Crude oil is trading at \$58.22/barrel this morning. The US sanctions against Iran and Venezuela have inadvertently increased demand for a Russian brand of crude oil, boosting revenues for the nation's exporters; this is in the wake of output cuts from the Organization of Petroleum Exporting Countries (OPEC) and their partners.

Maize: US maize futures saw solid gains on Friday afternoon, with prices up by nearly 3%. However, US maize futures had a rough week, as they never fully recovered from USDA's bullish supply and demand data on Monday. September futures finished the week down nearly 9.5%. Overall, weather status is relatively favourable in the wake of industry analysts and their individual crop tours, to make work on yield projections. According to consultancy firm FranceAgriMer, France's maize crop quality has degraded substantially since late June but held steady week-over-week, with 60% in good-to-excellent condition as of August 12. **Local:** Local maize prices traded mixed on Friday. December white maize contracts traded to a low of R3040 and a high of R3067 before closing the day off at session highs.

Soybeans: US soybean futures also saw moderate strength, as prices were about 1% higher across the board. Demand news was supportive of the US soybean market early Friday morning as unknown destinations purchased 296 654 tons for 19/20 marketing year. This continues to give the market mixed signals regarding the involvement of U.S. and Chinese trade negotiations as news media states China will not be purchasing US products, but with unconfirmed bean sales and strong pork sales next week still shows maybe they are still active in the marketplace in general. Like maize markets, market players will be closely watching individual firm's crop tours and yield projections over the next few weeks. **Local:** Local soybean prices traded lower on Friday. December soybean contracts traded to a high of R5780 and a low of R5730 before closing off the session at R5733.

Wheat: US wheat futures saw mild gains on Friday. Since Monday's USDA Supply and Demand report, US wheat futures have been in consolidation mode for the remainder of the week as prices traded relatively sideways. During this time of the year is a window where historical weakness is seen as US spring wheat harvest begins to ramp up. At this stage, world supplies are still ample, and global wheat pressure looks on trend by weather in most regions. Prices will likely stay choppy in the short term with the potential of drifting lower, especially influenced by other grains. **Local:** Local wheat prices traded higher on Friday. December wheat contracts traded to a low of R4625 and a high of R4650 before closing the session off at R4643.

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

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