

Grain SA's Morning Grain Market Commentary

DATE 2019/07/19	DATE 2019/07/18		DATE 2019/07/17		+ - LAST WEEK 2019/07/11		AT THE MONEY CALL OPTION FOR DECEMBER DELIVERY		
	Δ	Δ%	Data	Δ	Δ%	Data	Dec '19 FUTURES PRICE	WM	YM
DJIA-index	27223	3.12 ↑	0.01%	27220	1.3%	26860	R 3 077.00	R 2 942.00	
Goud (Spot)	1441.98	19.57 ↑	1.38%	1422.41	1.4%	1422.05	R 3 080.00	R 2 940.00	
Brent \$/vat	62.52	-1.04 ↓	-1.6%	63.56	-6.3%	66.69	R 213.62	R 157.83	
1 € / US\$	1.1261	0.00 ↑	0.23%	1.1235	0.0%	1.1266	R 3 293.62	R 3 097.83	
1 US\$ / ZAR	13.84	-0.16 ↓	-1.1%	14.00	-0.7%	13.94			
Corn Mar 19	R 2 312.35	-91 ↓	-3.8%	R 2 403.02					
Wheat Mar 19	R 2 507.58	-92 ↓	-3.5%	R 2 599.84					
Soybeans Mar 19	R 4 481.19	-58 ↓	-1.3%	R 4 539.17					
*CBOT Corn Sep cents / bushel 08:00 today vs. CBOT Sep 12:00 the previous day									
*CBOT Wheat Sep cents / bushel 08:00 today vs. CBOT Wheat Sep 12:00 the previous day									
*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 Jul 19	424.40	-11.60 ↓	-2.7%	436.00					
Wheat Jul 19	493.10	-12.30 ↓	-2.4%	505.40					
Soybeans Jul 19	881.20	-1.20 ↓	-0.14%	882.40					
Latest MTM prices (SPOT = nearest contract month (Rand / ton))									
SORGHUM Sep '19	3280.00	0.00 ↑	0.0%	3280.00	3820.00	2180.00			
WMAZ Spot	2933.00	28.00 ↑	1.0%	2905.00	4290.00	2655.00			
WMAZ Sep 19	2989.00	28.00 ↑	0.9%	2961.00	3920.00	2490.00			
WMAZ Dec 19	3077.00	29.00 ↑	1.0%	3048.00	3920.00	2490.00			
YMAZ Spot	2803.00	5.00 ↑	0.2%	2798.00	3510.00	2063.00			
YMAZ Sep 19	2859.00	7.00 ↑	0.2%	2852.00	3920.00	2490.00			
YMAZ Dec 19	2942.00	12.00 ↑	0.4%	2930.00	3920.00	2490.00			
SOY spot	5304.00	4.00 ↑	0.1%	5300.00	6180.00	4300.00			
SOY Sep 19	5350.00	0.00 ↑	0.0%	5350.00	6580.00	4550.00			
SUN Spot	5063.00	-32.00 ↓	-0.6%	5095.00	6170.00	4620.00			
SUN Sep 19	5130.00	-10.00 ↓	-0.2%	5140.00	6170.00	4620.00			
WHEAT Spot	4490.00	-19.00 ↓	-0.4%	4509.00	4840.00	4520.00			
WHEAT Sep 19	4500.00	-6.00 ↓	-0.1%	4506.00	4780.00	4460.00			
WHEAT Dec 19	4430.00	-7.00 ↓	-0.2%	4437.00	4780.00	4460.00			
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS									

Market Review: The rand was fluctuating yesterday with up and down movements but closing down the day stronger at R 13.84 against the dollar. The rand climbed against every G10 currency on Thursday afternoon, despite the South African Reserve Bank cutting interest rates for the first time since March 2018. The SA Reserve Bank's monetary policy committee reduced the standard repo rate by 25 basis points to 6.5% by 6.75%. This is the first time since March 2018 that the interest rate has been fixed. The central bank's governor, Lesetja Kganyago, made the announcement yesterday afternoon at a media conference in Pretoria. The cut will take effect on July 19. The decision is unanimous. The repo rate is the interest rate at which the Reserve Bank lends money to other banks. Changes in the repo rate affect the prime lending rate, which is the lowest rate at which banks start making loans to clients. With the repo rate, the prime lending rate will drop to 10% by 10.25%. Jawitz Properties CEO Herschel Jawitz said consumer confidence is key to restoring the residential property market, and the rate cut could mean much needed recovery. Project Manager at the Institute for Race Relations Terence Corrigan warned in a brainstorming report that the government should make substantial policy changes if it hopes to restore the country's mining industry. He also called for the establishment of an independent mineral commission. An extract from the report, entitled "Steering Mining in the future": Can the mining industry prepare itself for a revived tomorrow? Claiming that mining industry recovery is possible, but it will need "significant" reforms.

Maize: US maize prices continued to crumble on Thursday after the cooler weather forecast on the road next week, although much of the Corn Belt is currently reporting an excessive heat warning. Grain exports saw 200 000 tonnes of old crop sales, plus another 132 000 tonnes of new crop sales for a total of 332 000 tonnes last week. This was slightly behind the previous week's total of 396 000 tonnes and moderately below trade estimates. Maize export shipments reached 680 000 tons last week. Mexico remains the no. 1 export for US maize exports this marketing year, with 31% of the total. India has issued an international tender to buy an indefinite amount of maize, although individual offers should reach a minimum of 23,978 tonnes. The tender closes on July 30, with shipping between August and October. India needs additional maize after under normal rainfall and insect damage has reduced its domestic production this year. China sold 523,000 tons of its state maize reserves on Thursday, which was available for sale at 13.5 percent. **Local:** The maize markets traded positively and white and yellow maize closed at R2933 and R2803, respectively.

Soybeans: Soybean prices have endured a shaky session with fractional gains, but just fell to the end just before the end. Soybean sales last week sold 127 000 tons in old crop sales and 198 000 tons in new crop sales last week, for a total of 326 000 tons. This was slightly better than last week's 261,000-tonne increase, but below trade estimates. Soybean exports for shipping performed better, with 908,000 tonnes. Despite China's lack of activity last week, the country remains the number 1 destination for exporters of soybean export commitments this marketing year, with 30% of the total. **Local:** Soybeans traded upwards and closed the day's trading R 4 higher at R5304.

Wheat: Wheat prices are still slashed by harvesting due to technical sales. Exports of wheat rose slightly higher to 348 000 tonnes last week, reaching a total of 285 000 tonnes and trading estimates of 299 000 tonnes last week. Mexico is the leading export destination in the US so far this marketing year, with 14% of the total. Japan has purchased 51,000 tonnes of food grade wheat from Canada and Australia in a regular tender closed earlier today. The grain is in September for shipping. **Local:** Wheat was suppressed during trading yesterday and traded R19 lower and closed the day's trading at R 4490.

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

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