


## Grain SA's Morning Grain Market Commentary

	DATE	DATE				+ - LAST WEEK		AT THE MONEY PUT OPTION			
	2019/06/20	2019/06/19				2019/06/10					
	Data	Δ	Δ%	Data	Δ%	Data	JUL '19 FUTURES PRICE	WM	YM		
DJIA-index	26504	38.46	0.15%	26466	2.0%	25984	PUT STRIKE PRICE	R 2 843.00	R 2 830.00		
Goud (Spot)	1379.08	33.11	2.5%	1345.97	3.8%	1328.15	PUT PREMIUM	R 35.90	R 37.22		
Brent \$/vat	62.76	0.56	0.9%	62.2	-1.3%	63.59	MIN SAFEX PRICE	R 2 804.10	R 2 802.78		
1 € / US\$	1.1265	0.01	0.67%	1.1190	-0.3%	1.1303					
1 US\$ / ZAR	14.29	-0.24	-1.7%	14.53	-5.0%	15.04					
Corn Mar 19	R 2 480.92	-91	-3.5%	R 2 571.78	*CBOT Corn May cents / bushel 08:00 today vs. CBOT May 12:00 the previous day						
Wheat Mar 19	R 2 741.90	-95	-3.4%	R 2 837.07	* CBOT Wheat May cents / bushel 08:00 today vs. CBOT Wheat May 12:00 the previous day						
Soybeans Mar 19	R 4 742.41	-134	-2.8%	R 4 876.52	* 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)											
Corn Jul 19	441.00	-8.60	-1.9%	449.60	Parity prices delivered in Randfontein. WEAT BDN import par not export par						
Wheat Jul 19	522.20	-9.20	-1.7%	531.40							
Soybeans Jul 19	903.20	-10.20	-1.12%	913.40							
Latest MTM prices (SPOT = nearest contract month (Rand / ton))					Import parity	Export parity					
SORGHUM Sep '19	3280.00	0.00	0.0%	3280.00	3728.00	2100.00					
WMAZ Spot	2829.00	-5.00	-0.2%	2834.00	4096.00	2370.00					
WMAZ Jul 19	2843.00	-13.00	-0.5%	2856.00	3529.00	2129.00	MAIZE PRODUCER DELIVERIES				
WMAZ Sep 19	2894.00	-15.00	-0.5%	2909.00	3584.00	2182.00	WEEK TOTAAL	192 390	470 146	662 536	
YMAZ Spot	2814.00	-20.00	-0.7%	2834.00	3529.00	2129.00	JTD TOTAAL	570 828	1 496 068	2 066 896	
YMAZ Jul 19	2830.00	-22.00	-0.8%	2852.00	3529.00	2129.00	NOK SKATTING + REGSTELLINGS	5 126 540	5 018 820	10 145 360	
YMAZ Sep 19	2882.00	-21.00	-0.7%	2903.00	3584.00	2182.00	% GELEWER VAN OES	11.1%	29.8%	20.4%	
SOY spot	5442.00	-68.00	-1.2%	5510.00	6222.00	4486.00					
SOY Jul 19	5472.00	-70.00	-1.3%	5542.00	6485.00	4475.00	WHEAT IMPORTS				
SUN Spot	5220.00	-32.00	-0.6%	5252.00	6343.00	4855.00	2018/19	2017/18	5 Jr. GEM		
SUN Jul 19	5259.00	-37.00	-0.7%	5296.00	6343.00	4855.00	WEEK TOTAL	13 200	-	28 795	
WHEAT Spot	4496.00	21.00	0.5%	4475.00	4646.00	4326.00	YTD TOTAL	754 733	1 145 540	917 219	
WHEAT Jul 19	4512.00	30.00	0.7%	4482.00	4718.00	4398.00	TOTAL NEEDED	1 520 000	2 173 234	1 727 637	
WHEAT Sep 19	4502.00	10.00	0.2%	4492.00	4676.00	4356.00	YTD AS % OF NEEDED	50%	53%	53%	
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS											

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**Market Review:** The rand strengthens 24 cents from yesterday morning and is trading at R14.30 this morning against the dollar. Structurally high unemployment, growing income equity and inequality, as well as inadequate or substandard education and skills development are among the top five risks facing South Africa, according to Christopher Palm, chief risk manager of the Institute for Risk Management South Africa. According to the IRMSA Risk Report of 2019, the industry sees insufficient and substandard education and skills as the second biggest risk to companies. Business unit South Africa's Cas Coovadia has called for pressure. Cyril Ramaphosa, in his forthcoming SONA, admitted that South Africa is in a crisis - and this can largely be attributed to the country's major power source Eskom. Ramaphosa will deliver his State of the Nation address in Parliament in Cape Town at 19:00 on Thursday. For international investors, SA of "hero" under former president Nelson Mandela came to "zero" after 10 years of a poor government, according to South African-born British counterpart and anti-apartheid activist Lord Peter Hain. International investors are currently not interested in SA due to a lack of confidence in the country, Hain said in his opening speech at the annual SA Property Owners Association Conference in Cape Town on Wednesday. As Hain said, Moody's, in a new research report, noted Wednesday's rating agency that SA had "exceptionally low business confidence". Moody's is the only agency that has not downgraded SA's sovereign credit rating to sub-investment grade or junk. "Maybe SA can never come back to where it was and maybe there was an artificial bubble under the incredible leadership of Nelson Mandela," Hain said. "International investors were very keen on apartheid to support the new country and then the Zuma era completely destroyed the opportunity."

**Maize:** Maize prices in the US changed more than 2% on a round of technical sales and profit taking yesterday. Before today's USDA weekly export report, analysts expect the agency to show sales of between 299,000 tons and 899,000 tons for the week ending June 13. Ethanol production for the week ending June 14 has decreased slightly from the previous week, with an average daily production of 27,000 tons, but still high in season. China has announced that it will keep its anti-dumping and anti-subsidy rates for US imports of DDGs, although this may change after pressure on imports. Donald Trump and Xi Jinping met later this month at the G-20 summit. And China's maize production can reach 252 million tons this year, thanks to a recent round of cool, wet weather. However, the failure of armyworms in some major production areas may jeopardize the yield potential. Grain that is transported on the country's railways remains fairly slow, with 22,425 loads for the week last week (down 3.5% on the year). Cumulative totals of 527,403 carloads have been 4.9% higher than in 2018. **Local:** White maize traded R 5 lower yesterday and closed the day's trading at R 2829. Yellow maize traded R20 lower and closed the day's trading session. R2814.

**Soybeans:** Soybean prices in the US have also landed red on a round of technical sales and profit taking today, although losses were less severe than in maize, with a larger percentage of this year's US crop still unplanned. Before today's USDA weekly export report, analysts expect the agency to show soybean sales between 198,000 tons and 800,000 tons for the week ending June 13. Analysts also expect USDA to report an additional 100,000 to 400,000 tons of soybean meal sales last week, plus another 5,000 to 25,000 MT of soybean sales. **Local:** June soybean price decreased by R68 and closed the day's trading at R5442.

**Wheat:** US wheat prices showed a 2% decline. Before today's USDA weekly export report, analysts expect the agency to show wheat sales of between 198,000 tons and 500,000 tons for the week ending June 13. Egypt bought 291 000 tonnes of wheat from Romania and Russia for delivery at the end of July. South Korea today bought 119,000 tons of feed grain from optional origin. The grain is for shipping between mid-August and mid-September. Earlier this week, the country bought an additional 59 000 tons of feed grain from optional origin in a private transaction. China previously sold 23 377 tonnes of its wheat wheat reserves today, which was only 0.8% of the total available for sale. **Local:** The June wheat price rose by R 21 and closed the day's trading at R4496.

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)

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Thank you for the Maize Trust for partially funding this project

