


Grain SA's Morning Grain Market Commentary

|  | DATE | DATE | | DATE | | + - LAST WEEK | | AT THE MONEY PUT OPTION FOR JUL 2020 DELIVERY | | | |
|--|------------|------------|----|------------|------------|----------------------------|---------------|---|---------------------------|------------|------------|
| | 2020/02/21 | 2020/02/20 | | 2020/02/10 | | 2020/02/10 | | | | | |
| | Data | Δ | Δ% | Data | Δ% | Data | Δ% | WM | YM | | |
| DJIA-index | 29220 | -128.05 | ↓ | -0.44% | 29348 | ↑ | 0.4% | Jul '20 FUTURES PRICE | R 2 295.00 | R 2 441.00 | |
| Goud (Spot) | 1626.14 | 16.70 | ↑ | 1.04% | 1609.44 | ↑ | 3.5% | Put STRIKE PRICE | R 2 300.00 | R 2 440.00 | |
| Brent \$/vat | 58.88 | -0.42 | ↓ | -0.7% | 59.3 | ↑ | 8.3% | Put PREMIUM | R 103.97 | R 112.93 | |
| 1 € / US\$ | 1.0795 | 0.00 | ↑ | 0.00% | 1.0795 | ↓ | -1.5% | MIN SAPEX PRICE | R 2 196.03 | R 2 327.07 | |
| 1 US\$ / ZAR | 15.10 | 0.06 | ↑ | 0.4% | 15.04 | ↑ | 0.8% | | | | |
| Corn Mar 19 | R 2 249.42 | -3 | ↓ | -0.1% | R 2 252.32 | | | *CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day | | | |
| Wheat Mar 19 | R 3 107.05 | -16 | ↓ | -0.5% | R 3 123.44 | | | * CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day | | | |
| Soybeans Mar 19 | R 4 952.41 | -6 | ↓ | -0.1% | R 4 958.16 | | | * 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 | 378.40 | -2.00 | ↓ | -0.5% | 380.40 | Parity prices delivered in | | | | | |
| Wheat Mar 20 | 560.00 | -5.20 | ↓ | -0.9% | 565.20 | Randfontein. WEAT BDN | | | | | |
| Soybeans Mar 20 | 892.60 | -4.60 | ↓ | -0.51% | 897.20 | import par not export par | | | | | |
| Latest MTM prices (SPOT = nearest contract month (Rand / ton)) | | | | | | Import parity | Export parity | | | | |
| SORGHUM Mar '20 | 3215.00 | 0.00 | ↑ | 0.0% | 3215.00 | 3660.00 | 2114.00 | | | | |
| WMAZ Spot | 2699.00 | -44.00 | ↓ | -1.6% | 2743.00 | 4415.00 | 1950.00 | | | | |
| WMAZ Mar 20 | 2653.00 | 31.00 | ↑ | 1.2% | 2622.00 | 3570.00 | 2220.00 | week 42 | MAIZE PRODUCER DELIVERIES | | |
| WMAZ Jul 20 | 2295.00 | -5.00 | ↓ | -0.2% | 2300.00 | 3640.00 | 2280.00 | WEEK TOTAAL | 11 480 | 6 850 | 18 330 |
| YMAZ Spot | 2588.00 | -162.00 | ↓ | -5.9% | 2750.00 | 3350.00 | 1950.00 | JTD TOTAAL | 5 360 136 | 5 169 207 | 10 529 343 |
| YMAZ Mar 20 | 2578.00 | 16.00 | ↑ | 0.6% | 2562.00 | 3570.00 | 2220.00 | NOK SKATTING + REGSTELLINGS | 5 378 240 | 5 369 610 | 10 747 850 |
| YMAZ Jul 20 | 2441.00 | -2.00 | ↓ | -0.1% | 2443.00 | 3640.00 | 2280.00 | % GELEWER VAN OES | 99.7% | 96.3% | 98.0% |
| SOY spot | 5954.00 | 34.00 | ↑ | 0.6% | 5920.00 | 6540.00 | 4670.00 | | | | |
| SOY May 20 | 5760.00 | 58.00 | ↑ | 1.0% | 5702.00 | 7040.00 | 5030.00 | WEEK 20 | WHEAT IMPORTS | | |
| SUN Spot | 5183.00 | 0.00 | ↑ | 0.0% | 5183.00 | 6370.00 | 4890.00 | | 2019/20 | 2018/19 | 5 Jr. GEM |
| SUN May 20 | 5255.00 | 78.00 | ↑ | 1.5% | 5177.00 | 6370.00 | 4890.00 | WEEK TOTAL | 30 078 | 44 918 | 30 658 |
| WHEAT Spot | 4750.00 | 25.00 | ↑ | 0.5% | 4725.00 | 5000.00 | 4680.00 | YTD TOTAL | 568 556 | 127 813 | 338 965 |
| WHEAT Mar 20 | 4737.00 | 12.00 | ↑ | 0.3% | 4725.00 | 5061.00 | 4740.00 | TOTAL NEEDED | 1 750 000 | 1 355 881 | 1 671 817 |
| WHEAT May 20 | 4796.00 | 21.00 | ↑ | 0.4% | 4775.00 | 5061.00 | 4740.00 | YTD AS % OF NEEDED | 32% | 9% | 20% |

Market overview: The rand weakened and traded at R15.10 / \$ this morning. The crux of the state's dire financial position is that the plans and commitments made by the rest of the government are not in line with fiscal policy. This is how Wits academic Michael Sachs, the former head of the Treasury's budget office, summarized the conspiracy faced by the government during the budget week, when Finance Minister Tito Mboweni is expected to explain how the government books will balance. The JSE faces mixed Asian markets on Friday morning, with the economic effect that the coronavirus remains the most important factor for investor sentiment. China lowered lending rates on Thursday, with the Shanghai compound Friday morning boosting profits. In Hong Kong, Tencent fell by more than 1%, while precious metal prices continued their efforts. Anxiety over the virus has reached a new level, with attention now on the outbreak outside China.

Maize: Maize prices fell about 0.5% on Thursday after USDA says US farmers will plant the most maize acre since 2016, prompting some technical sales. USDA predicts US farmers will plant 38.04 million hectares of maize later this spring, which is higher than analysts expect. If realized, this would be the largest maize area since 2016. **Local:** The local maize prices were very volatile yesterday and ended the day's trading mainly in the red.

Soybeans: Soybean prices followed maize prices lower on a round of technical sales after USDA forecast slightly larger than expected area estimates yesterday morning. Traders are also still awaiting news on fresh Chinese purchases as well as the next round of USDA export data. USDA's latest soybean planting for 2020 is 34.39 million hectares, significantly higher than last year's count. Robert Johansson, USDA chief economist, said on Monday's agency's Ag Outlook forum that it is reasonable to expect a "good portion" of unprocessed acres due to flooding in 2019 this year or maize or soybeans planted is going to be. **Local:** The local market's soybeans had a good day yesterday and all contracts that traded closed the day's trading in the green.

Wheat: Wheat prices are the victim of a second consecutive session of technical sales and profit taking. A strengthening dollar is still applying provisional headwinds. USDA's latest wheat planting of 2020 was announced yesterday at 18.21 million hectares, which is slightly lower than last year's count and would be at the lowest levels since USDA began holding records in 1919. USDA chief economist Robert Johansson speculated this morning that saturated soil in the Northern Plains could delay or prevent some spring wheat acres this year. **Local:** Wheat also had a positive day and closed all trading in the green.

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
Thank you for the Maize Trust for partially funding this project

