

Grain SA's Morning Grain Market Commentary

DATE 2020/09/21 Data	DATE 2020/09/18 Δ Δ%		+ - LAST WEEK 2020/09/14 Δ%		AT THE MONEY PUT OPTION FOR JULY 2021 DELIVERY					
	DJIA-index	27657	-244.56 ↓ -0.88%	27902	↓ 0.0%	27666	Jul '21 FUTURES PRICE	R 2,840.00	R 2,836.00	
Goud (Spot)	1950.88	-2.05 ↓ -0.10%	1952.93	↑ 0.2%	1947.24	Put STRIKE PRICE	R 2,840.00	R 2,840.00		
Brent \$/vat	43.06	-0.50 ↓ -1.1%	43.56	↑ 7.9%	39.91	Put PREMIUM	R 245.82	R 179.04		
1 € / US\$	1.1868	0.00 ↑ 0.17%	1.1848	↑ 0.2%	1.1844	BREAKEVEN SAFEX PRICE	R 2,594.18	R 2,660.96		
1 US\$ / ZAR	16.27	0.08 ↑ 0.5%	16.19	↓ -2.5%	16.69					
Corn Sep	R 2,423.71	32 ↑ 1.4%	R 2,391.40			*CBOT Corn Sep cents / bushel 08:00 today vs. CBOT Sep 12:00 the previous day				
Wheat	R 3,437.47	129 ↑ 3.9%	R 3,308.73			*CBOT Wheat Sep cents / bushel 08:00 today vs. CBOT Wheat Sep 12:00 the previous day				
Soybeans	R 6,237.66	120 ↑ 2.0%	R 6,117.75			*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)					WEEK NR.		MAIZE EXPORTS			
Corn Dec 20	378.40	3.20 ↑ 0.9%	375.20			20	WM	YM	TM	
Wheat Dec 20	575.00	18.80 ↑ 3.4%	556.20		Parity prices delivered in					
Soybeans Nov 20	1043.40	15.00 ↑ 1.5%	1028.40		Randfontein. WEAT BDN		WEEK TOTAL	13,820	96,730	110,550
Latest MTM prices (SPOT = nearest contract month (Rand / ton))					import par not export par		YTD TOTAL	346,297	1,075,665	1,421,962
SORGHUM Sep '20	3800.00	0.00 ↑ 0.0%	3800.00		Import parity	Export parity	EXPORTABLE	1,170,000	1,370,000	2,540,000
WMAZ Spot	3311.00	42.00 ↑ 1.3%	3269.00		5300.00	3200.00	YTD AS % OF EXPORTABLE	30%	79%	56%
WMAZ Dec 20	3249.00	15.00 ↑ 0.5%	3234.00		3990.00	2400.00	PACE/WEEK NEEDED	25,741	9,198	34,939
WMAZ Jul 21	2840.00	-5.00 ↓ -0.2%	2845.00		4300.00	2500.00	MAIZE PRODUCER DELIVERIES			
YMAZ Spot	3206.00	39.00 ↑ 1.2%	3167.00		4400.00	2500.00	WEEK TOTAAL	79,612	21,841	101,453
YMAZ Dec 20	3215.00	9.00 ↑ 0.3%	3206.00		4300.00	2500.00	JTD TOTAAL	7,557,653	5,770,849	13,328,502
YMAZ Jul 21	2836.00	-11.00 ↓ -0.4%	2847.00		4400.00	2590.00	NOK SKATTING + REGSTELLINGS	8,863,776	6,104,258	14,968,034
SOY spot	7923.00	40.00 ↑ 0.5%	7883.00		8400.00	6000.00	% GELEWER VAN OES	85.3%	94.5%	89.0%
SOY May 21	6981.00	21.00 ↑ 0.3%	6960.00		8600.00	6000.00	WEEK 50 WHEAT IMPORTS			
SUN Spot	7800.00	22.00 ↑ 0.3%	7778.00		8700.00	6700.00	2019/20	2018/19	5 Jr. GEM	
SUN May 21	7010.00	-72.00 ↓ -1.0%	7082.00		8700.00	6700.00	WEEK TOTAL	67,270	78517	47,752
WHEAT Spot	4915.00	31.00 ↑ 0.6%	4884.00		5600.00	5100.00	YTD TOTAL	1,723,401	1,140,137	1,534,691
WHEAT Dec 20	4870.00	-17.00 ↓ -0.3%	4887.00		5700.00	5200.00	TOTAL NEEDED	1,820,000	1,355,881	1,671,817
WHEAT Mar 21	4971.00	-9.00 ↓ -0.2%	4980.00		5790.00	5270.00	YTD AS % OF NEEDED	95%	84%	92%

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

Market overview: The JSE faces weaker Asian markets on Monday morning, with rising Covid-19 cases in Europe prompting concern about a global economic recovery. In morning trade, the Shanghai Composite was down 0.45% and the Hang Seng 0.95%. Tencent, which influences the JSE via Naspers, had fallen 1.2%. Gold was flat at \$1,953.30 an ounce while platinum had risen 1.5% to \$939.50. Brent crude was 0.23% firmer at \$43.16 a barrel. The rand was 0.29% firmer at R16.25 a dollar. The focus will be on the further reopening of the economy this week as SA moves to level 1 of the national lockdown. Capacity in exercise, recreation and entertainment venues as well as public gatherings will increase to 50% from Monday while international travel for business and leisure will be permitted from October 1. This follows President Cyril Ramaphosa's announcement on Wednesday that further lockdown regulations will be eased. Travel to countries considered as high risk will be restricted.

Maize: Maize prices made moderate inroads again Friday, closing nearly 1% higher on a round of technical buying spurred by export optimism and questions surrounding U.S. production potential. Private exporters reported to USDA the sale of 210 000 tons of maize for delivery to China during the 2020/21 marketing year, which began September 1. Ukraine's economy ministry reports that the country's 2020/21 maize exports are down sharply year-over-year, reaching only 612 000 tons since July 1. The country's total grain exports are down 10.2% in the current marketing year. French farmers have begun to harvest their embattled 2020 maize crop, with 4% complete through September 14. The drought-stressed crop is only 59% rated in good-to-excellent condition, down a point from a week ago. Local: The local maize market mostly found support on Friday and traded stronger for the day in most of the contracts of both white and yellow maize currently listed. The white maize market traded R42 / ton higher for delivery in September 2020 for the day to close at R3 311 / ton. The yellow maize market traded R39 / ton higher for delivery in September 2020 to close at R3 206 / ton.

Soybeans: Soybean prices continued their hot streak Friday, moving higher for the 17th time in the past 19 sessions. China has made large purchases of U.S. soybeans in each of the past 11 days as the country tries to rebuild its hog herd and fulfil the commitments it made in the phase one trade agreement penned with the U.S. earlier this year. Private exporters reported to USDA the sale of 133 000 tons of soybeans for delivery to China during the 2020/21 marketing year, which begins September 1. Private exporters also reported purchasing 110 321 tons of soymeal. That sale is also for the 2020/21 marketing year and is headed for unknown destinations. Local: The local soybean market mostly found support on Friday and traded stronger for the day in most of the contract months currently listed. For delivery in September 2020, the local soybean market traded R40 / ton higher for the day to close at R7 923 / ton.

Wheat: Wheat prices continue to follow overseas prices higher on solid demand fundamentals. (For example, Paris future have risen 3.2% this week.) Lingering concerns over production potential for major producers such as Argentina and France are lending additional support. Ukraine's wheat exports in the 2020/21 marketing year are matching last year's pace so far, with 6.999 million tons since July 1, according to the country's economy ministry. Ukraine is the world's 4th largest wheat exporter. Some wheat fields in northern Argentina may not be harvested due to drought problems in that area, according to the Buenos Aires Grains Exchange. Argentinian farmers planted about 6.47 million hectares for the 2020/21 season. Local: The local wheat market traded mostly mixed on Friday with the near-month contract finding support while the further month contracts came under pressure. The local wheat market traded for delivery in December 2020, R17 / ton lower to close at R4 870 / ton.

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

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