

Grain SA's Morning Grain Market Commentary

Grain SA	DATE 2019/07/22		DATE 2019/07/19		+ - LAST WEEK 2019/07/15		AT THE MONEY CALL OPTION FOR DECEMBER DELIVERY			
	Data	Δ	Δ%	Data	Δ	Data	Dec '19 FUTURES PRICE	WM	YM	
DJIA-index	27154	-68.77	-0.25%	27223	-0.7%	27332	R 3 040.00	R 2 909.00		
Goud (Spot)	1424.94	-17.04	-1.18%	1441.98	-0.0%	1410.5	R 3 040.00	R 2 900.00		
Brent \$/vat	61.9	-0.62	-1.0%	62.52	-0.2%	66.73	R 212.42	R 159.42		
1 € / US\$	1.1215	0.00	-0.41%	1.1261	-0.5%	1.1270	R 3 252.42	R 3 059.42		
1 US\$ / ZAR	13.93	0.09	0.7%	13.84	0.0%	13.93				
Corn Mar 19	R 2 361.39	49	2.1%	R 2 312.35						
Wheat Mar 19	R 2 571.48	64	2.5%	R 2 507.58						
Soybeans Mar 19	R 4 613.72	133	3.0%	R 4 481.19						
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	430.60	6.20	1.5%	424.40						
Wheat Jul 19	502.40	9.30	1.9%	493.10						
Soybeans Jul 19	901.40	20.20	2.29%	881.20						
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	2903.00	-30.00	-1.0%	2933.00	4290.00	2655.00				
WMAZ Sep 19	2954.00	-35.00	-1.2%	2989.00	3920.00	2490.00	week 8	MAIZE PRODUCER DELIVERIES		
WMAZ Dec 19	3040.00	-37.00	-1.2%	3077.00	3920.00	2490.00	WEEK TOTAAL	241 903	293 623	535 526
YMAZ Spot	2778.00	-25.00	-0.9%	2803.00	3510.00	2063.00	JTD TOTAAL	1 809 901	3 617 113	5 427 014
YMAZ Sep 19	2828.00	-31.00	-1.1%	2859.00	3920.00	2490.00	NOK SKATTING + REGSTELLINGS	5 328 040	5 062 220	10 390 260
YMAZ Dec 19	2909.00	-33.00	-1.1%	2942.00	3920.00	2490.00	% GELEWER VAN OES	34.0%	71.5%	52.2%
SOY spot	5289.00	-15.00	-0.3%	5304.00	6180.00	4300.00				
SOY Sep 19	5330.00	-20.00	-0.4%	5350.00	6580.00	4550.00	week 38	WHEAT IMPORTS		
SUN Spot	5037.00	-26.00	-0.5%	5063.00	6170.00	4620.00	2018/18	2017/18	5 Jr. GEM	
SUN Sep 19	5138.00	8.00	0.2%	5130.00	6170.00	4620.00	WEEK TOTAL	8 918	101 572	44 550
WHEAT Spot	4500.00	10.00	0.2%	4490.00	4840.00	4520.00	YTD TOTAL	865 472	1 425 163	1 181 230
WHEAT Sep 19	4503.00	3.00	0.1%	4500.00	4780.00	4460.00	TOTAL NEEDED	1 500 000	2 173 234	1 727 637
WHEAT Dec 19	4430.00	0.00	0.0%	4430.00	4780.00	4460.00	YTD AS % OF NEEDED	58%	66%	68%

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

Market Review: The rand weakened by 10 cents over the weekend and is trading at R13.93 this morning. With SA's last sovereign credit rating hanging in the air, MPs will be informed on Eskom's "bailout" on Tuesday. Further details on Eskom's bail this week could be the major local event in the economic news, as SA is waiting to see how much government is giving the struggling power supplier to ease its cash flow. Finance Minister Tito Mboweni said earlier in July that a special bill would be tabled in parliament on Tuesday. It can be granted billions of rand to Eskom, as it leverages interest payments on its R400bn debt burden. The special appropriation account was announced in June by President Cyril Ramaphosa in his state of the nation address. He said the bill would provide a significant portion of the R230bn needed by Eskom over the next 10 years. Graduation Agency Moody's Investors Service has indicated that SA will lose its investment grade credit rating if government debt and Eskom's debt continue to rise. Moody's is the last of the three major global rating agencies to keep SA's creditworthiness above junk status. The public sector loan requirement rose to 3.5% of GDP in the 2000s from nearly 0% of GDP, the fastest growing point in the budget, Investec chief economist Annabel Bishop said. As spending still exceeds revenue, it is funded to a significant degree by the rapid debt suspension, Bishop said. High government loans have contributed to suppressing the fixed sector's fixed investment. Also on Tuesday, the Reserve Bank will release its leading business cycle indicator for May, which was its seventh consecutive month of contraction in April, when it dropped 0.3% y/y. The indicator, which uses data such as vehicle sales, job advertisements, business confidence and money supply, is a measure of where economic activity is being undertaken in the next six to nine months.

Maize: Maize prices in the US are favoured on Friday on some technical purchases, which are partly caused by "spill overs" strength of soybeans. The current round of hot weather across the central US was also a factor, although traders are looking forward to cooler temperatures next week. Hot, dry weather causes the maize crop in France, as by FranceAgriMer, to estimate that 74% of the crop is in good condition from July 15, from 78% last week. **Local:** White and yellow maize were suppressed on Friday and are already declining in their prices. White maize closes on Friday's deal at R 2903 and yellow maize closes at R2778.

Soybeans: Soybean prices closed more than 2% higher on Friday in the US on a round of cover. Negotiations continued with the phone between US and Chinese officials yesterday, but US Treasury Secretary Steven Mnuchin said it was too early to say whether the talks had gone well enough to justify another round of person negotiations. **Local:** Soybeans traded R15 on Friday and closed the day at R5289.

Wheat: Wheat prices have risen to around 2% on a round of technical purchases on Friday, with additional support from other commodity coil strengths. French consultation FranceAgriMer reported that 73% of the country's soft wheat crop is in excellent condition in July 15 this year. About a week ago it was unchanged. Harvest progress reached 33%, from 9% a week ago. Analysts expect total wheat production to be 11.7% higher than a year ago, if realized. **Local:** The wheat price strengthened on Friday and traded R10 higher and closed the day's trading at R 4500.

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

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