

Grain SA's Morning Grain Market Commentary

DATE 2019/08/23	DATE 2019/08/22		+ - LAST WEEK 2019/08/12		AT THE MONEY CALL OPTION FOR DECEMBER DELIVERY		
	Δ	Δ%	Δ	Δ%	Dec '19 FUTURES PRICE	WM	YM
DJIA-index	26252	49.51 ↑ 0.19%	26203	-0.1%	26287	R 2 888.00	R 2 767.00
Goud (Spot)	1498.12	-2.96 ↓ -0.20%	1501.08	0.1%	1496.89	R 2 880.00	R 2 760.00
Brent \$/vat	60.11	0.16 ↑ 0.3%	59.95	2.9%	58.41	R 164.47	R 118.18
1 € / US\$	1.1066	0.00 ↓ -0.12%	1.1079	-1.3%	1.1207	R 3 044.47	R 2 878.18
1 US\$ / ZAR	15.21	-0.02 ↓ -0.1%	15.23	-0.2%	15.24		
Corn Mar 19	R 2 174.79	2 ↑ 0.1%	R 2 172.85				
Wheat Mar 19	R 2 611.05	23 ↑ 0.9%	R 2 587.62				
Soybeans Mar 19	R 4 783.94	-31 ↓ -0.6%	R 4 814.86				
Latest CBOT prices during overnight trading (Recorded between 6 a.m. to 07:00 am vs 12:00 pm the previous trading)							
Corn Sep 19	363.20	0.80 ↑ 0.2%	362.40				
Wheat Sep 19	467.20	4.80 ↑ 1.0%	462.40				
Soybeans Aug 19	856.00	-4.40 ↓ -0.51%	860.40				
Latest MTM prices (SPOT = nearest contract month (Rand / ton))							
SORGHUM Mar '20	3469.00	0.00 ↑ 0.0%	3469.00		3694.00	2040.00	
WMAZ Spot	2800.00	-36.00 ↓ -1.3%	2836.00		4380.00	2940.00	
WMAZ Sep 19	2803.00	-43.00 ↓ -1.5%	2846.00		3790.00	2350.00	
WMAZ Dec 19	2888.00	-48.00 ↓ -1.6%	2936.00		3820.00	2380.00	
YMAZ Spot	2691.00	-29.00 ↓ -1.1%	2720.00		3330.00	1860.00	
YMAZ Sep 19	2697.00	-34.00 ↓ -1.2%	2731.00		3790.00	2350.00	
YMAZ Dec 19	2767.00	-37.00 ↓ -1.3%	2804.00		3820.00	2380.00	
SOY spot	5613.00	-5.00 ↓ -0.1%	5618.00		6150.00	4246.00	
SOY Sep 19	5617.00	-3.00 ↓ -0.1%	5620.00		6555.00	4512.00	
SUN Spot	5540.00	20.00 ↑ 0.4%	5520.00		6190.00	4630.00	
SUN Sep 19	5561.00	11.00 ↑ 0.2%	5550.00		6190.00	4630.00	
WHEAT Spot	4619.00	8.00 ↑ 0.2%	4611.00		4770.00	4450.00	
WHEAT Sep 19	4618.00	-9.00 ↓ -0.2%	4627.00		4995.00	4675.00	
WHEAT Dec 19	4679.00	19.00 ↑ 0.4%	4660.00		5096.00	4780.00	
LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS							

Market Review: The rand weakened 2 cents and was trading at R15.22 this morning against the US dollar. South Africa wants to cut government budgets as it takes on debt, after billions of rands have been promised, to save the power supply and a poor economy harms tax collection. The National Treasury has asked departments to prepare proposals on how to reduce spending in a way that has the least impact on service delivery. The Treasury wants cuts of 5% for 2020-21 and 6% and 7% for the next two years. This could amount to R300 billion (\$ 19.7 billion) over three years. Prime Minister Jackson Mthembu told reporters in Cape Town on Thursday that the Cabinet expects to receive a paper on Eskom's prospects within the next two weeks. Public Enterprises Minister Pravin Gordhan is expected to present the paper to the Cabinet. The article contains issues such as the unbundling and breakdown of the power supply. The ruling party is planning to launch its own funeral policy scheme designed to benefit its members in good standing as well as millions of supporters, said ANC Treasurer General Paul Mashatile. President Cyril Ramaphosa says the government will keep a "falcon's eye" on the finances of the National Health Insurance Fund to protect it from corruption. On Thursday, Ramaphosa provided oral answers to questions from MPs in the National Assembly. He responded to a question by ANC MP Sibongiseni Dhlomo about the stringent measures that will be taken to protect the NHI from corruption during its implementation, given the record of management challenges at state-run enterprises (SOEs). The state should be at the centre of the country's development and take on a more entrepreneurial role, President Cyril Ramaphosa said. The president gave oral answers to questions from MPs on Thursday. Mbuyiseni Ndlozi, MP for economic freedom fighters, asked the president whether a new macroeconomic framework is needed in the country, where the state plays a central role in development, as the country does not meet the targets of the National Development Plan (NDP) does not reach.

Maize: US prices tilted slightly higher on Thursday amid technical manoeuvring, positive export data from the USDA helped a bit yesterday morning. Maize exports increased by 363,000 tonnes over the past week and 271,000 tonnes over the past week, after total sales being 421,000 tonnes for the week to 15 August. The export of maize was 541 000 tons. Mexico remains the leading destination for US maize export commitments as the 2018/19 marketing year is nearing an end, with 31% of the total. Prior to a statistical report on the crop production of Statistics Canada, a group of analysts expect the agency to report Canada's maize production for 2019 at 14,001 million tons. China sold 441,000 tonnes of its government reserves at the auction yesterday, representing 11.1% of the total quantity for sale. **Local:** The local maize markets experienced a lot of pressure yesterday and traded downward. White and yellow maize weakened R36 and R29 respectively.

Soybeans: US soybean prices on Thursday saw a moderate cut in technical sales as the US trade war in China ensued. Soybean exports last week found 27,000 tonnes in old crop sales plus 791,000 tonnes in new crop sales, with a total of 819,000 tonnes. This was moderately ahead of last week's 707 000 tonnes count. Shipping of soybeans fared even better last week at 1.172 million tonnes. As the 2018/19 marketing year weakens, China remains the No. 1 destination for US soybean export commitments, accounting for 29% of the total. **Local:** The local soybean market also experienced pressure and weakened R 5 to close the day's trading at R 5 613.

Wheat: US wheat prices were mixed but mostly higher Thursday on technical manoeuvring. Winter wheat futures were boosted by healthy round export data from USDA, which resulted in some technical purchase. Wheat exports showed about 596,000 tonnes in old crop sales last week, and another 5443 tonnes in new crop sales. It surpassed trade estimates and closed higher than last week's count of. The shipment of wheat was 661 000 tonnes last week. About ten weeks after the 2019/20 marketing year, Mexico leads all destinations for U.S. wheat export commitments, accounting for 14% of the total. Analysts presented a Canadian 32 million-ton wheat production estimate ahead of an official update from Statistics Canada next Wednesday. This will slightly exceed the reality of the country's total production of 2018. Japan bought 108,000 tonnes of US-Canada food quality wheat in an ordinary tender that closed earlier yesterday. About 53% of the total comes from the United States. The grain is shipped in October. **Local:** Wheat on the local market experienced a mixed day and closed R 8 higher at R 4 619.

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

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