

### Grain SA's Morning Grain Market Commentary

DATE 2019/10/23	DATE 2019/10/22		+ - LAST WEEK 2019/10/14		AT THE MONEY PUT OPTION FOR JUL 2020 DELIVERY						
	Δ	Δ%	Δ	Δ%	Jul '20 FUTURES PRICE	WM	YM				
DJIA-index	26788	-39.54 ↓	-0.15%	26828	↓	0.1%	26817				
Goud (Spot)	1489.66	5.54 ↑	0.37%	1484.12	↑	0.1%	1488.74				
Brent \$/vat	59.43	0.63 ↑	1.1%	58.8	↓	0.9%	59.98				
1 € / US\$	1.1120	0.00	0.31%	1.1155	↑	0.8%	1.1030				
1 US\$ / ZAR	14.61	-0.14 ↓	0.9%	14.75	↓	0.9%	14.74				
Corn Mar 19	R 2 231.64	-17 ↓	0.7%	R 2 248.38							
Wheat Mar 19	R 2 780.76	-56 ↓	2.0%	R 2 836.67							
Soybeans Mar 19	R 5 013.95	-44 ↓	0.9%	R 5 057.66							
* CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day											
* CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day											
* CBOT Soy Nov cents / bushel 08:00 today vs. CBOT Soy Nov 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 Dec 19	388.00	0.80 ↑	0.2%	387.20							
Wheat Dec 19	518.00	-5.40 ↓	1.0%	523.40							
Soybeans Nov 19	934.00	0.80 ↑	0.09%	933.20							
Parity prices delivered in Randfontein. WEAT BDN import par not export par											
Latest MTM prices (SPOT = nearest contract month (Rand / ton))											
SORGHUM Mar '20	3469.00	0.00 ↑	0.0%	3469.00							
WMAZ Spot	2884.00	-77.00 ↓	2.6%	2961.00							
WMAZ Dec 19	2908.00	-79.00 ↓	2.6%	2987.00							
WMAZ Jul 20	2782.00	-69.00 ↓	2.4%	2851.00							
YMAZ Spot	2796.00	-61.00 ↓	2.1%	2857.00							
YMAZ Dec 19	2809.00	-61.00 ↓	2.1%	2870.00							
YMAZ Jul 20	2668.00	-50.00 ↓	1.8%	2718.00							
SOY spot	5999.00	-5.00 ↓	0.1%	6004.00							
SOY May 20	5861.00	27.00 ↑	0.5%	5834.00							
SUN Spot	5588.00	-22.00 ↓	0.4%	5610.00							
SUN May 20	5378.00	50.00 ↑	0.9%	5328.00							
WHEAT Spot	4434.00	-31.00 ↓	0.7%	4465.00							
WHEAT Dec 19	4486.00	-27.00 ↓	0.6%	4513.00							
WHEAT Jul 20	4728.00	-16.00 ↓	0.3%	4744.00							

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

**Market overview:** The rand has strengthened 6 cents since yesterday at market closing time and this morning traded at R14.61 against the dollar. The SA Reserve Bank's composite leading business cycle indicator fell on an annual basis for the eleventh consecutive month in August, reaffirming that the SA economy is struggling to gain momentum. The indicator dropped 1.3% to 103.8 points, slightly better than the 103.7 expected in the Bloomberg consensus. The indicator is a strong forecast of SA's economic growth cycle for the next 6-12 months. It has been consistently shown that local businesses are holding back investment, and that confidence has boosted following President Cyril Ramaphosa's resignation in early 2018. The indicator fell 0.1% on a monthly basis, the bank said in a statement on Tuesday. The biggest negative contributions to the move in the composite leading business cycle indicator in August came from a decline in the SA export commodity price index (dollar based) and a weakening in the BER's business confidence index. The biggest positive contributions came from an increase in the number of approved housing plans for neighbourhoods and an increase in the interest rate spread. The Bank sets the leading indicator by assessing monthly movements in various economic indicators, such as successful building plans, commodity prices and newly sold passenger vehicles. The composite casual business cycle indicator, which is in line with current economic growth, decreased by 0.4% in August from the previous month.

**Maize:** In the US, maize prices led a moderate increase Tuesday, which mostly disappeared as the day progressed, but still closed in the green. According to the latest report, USDA completed 30% of this year's maize crop this year until October 20. This is ahead of the previous week's score of 22%, but below analysts' expectation of 34%. The harvest rate is now far behind that of recent years, with an average of five years of 47% and 86% of this year's crop is now fully mature, which is better than last week's total of 73%, but well behind the 99% pace in 2018 and the five-year average of 97%. But USDA has seen slight improvement in grain quality over the past week, adding a mark to reach 56% in good to excellent conditions. **Local:** In the local market, white and yellow maize has experienced significant declines. All contracts that traded closed in the red.

**Soybeans:** Soybean prices today followed the same general pattern as maize - starting strong but weakening as the session progressed, but still ending with small gains. The soybean crop showed some momentum in the past week, and a fifth of the harvest was harvested. That puts overall progress at 46%, which is this year's pace close to the 51% of 2018, but still moderately behind the five-year average of 64%. Ninety-four percent of the crop leaves fall, compared to last year's rate of 98% and the five-year average of 97%. From a quality standpoint, soybeans have kept their ground this week, with 54% of the crop still in good to excellent condition. Another 32% of the crop is considered fair, with the remaining 14% as weak or very poor - all unchanged from a week ago. **Local:** The soybean market performed slightly better yesterday and only the December price for soybeans traded lower.

**Wheat:** Wheat prices were blended Tuesday after an uneven round of technical manoeuvring, while winter wheat contracts weakened by about 1% while spring wheat futures strengthened slightly. This year's spring wheat harvest is closer to the finish line - from October 20, from 94% a week ago to 96%. Some of the states have recently been hit with snow, including Montana (92%) and North Dakota (95%) still farthest. The planting of winter wheat, in contrast, has moved slightly ahead of the rate of the past few years after it has reached 77%. Last year's rate was 71%, with a five-year average of 75%. Fifty-three percent of the crop now occurs, which is also in line with the previous five-year average. **Local:** Wheat was under heavy pressure yesterday as well as the strengthening of the rand, which had an effect on the sharp decreases that can be observed in the wheat prices.

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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