

Grain SA's Morning Grain Market Commentary

DATE 2020/10/23 Data	DATE 2020/10/22		+ - LAST WEEK 2020/10/12		AT THE MONEY PUT OPTION FOR JULY 2021 DELIVERY					
	Δ	Δ%	Data	Δ%	Data	WM	YM			
DJIA-index	28364	152.84 ↑	0.54%	28211	↓	-0.8%	28587	Jul '21 FUTURES PRICE	R 3,040.00	R 3,080.00
Goud (Spot)	1905.71	-7.99 ↓	-0.42%	1913.7	↓	-1.2%	1928.74	Put STRIKE PRICE	R 3,040.00	R 3,087.00
Brent \$/vat	42.34	0.82 ↑	2.0%	41.52	↓	-0.2%	42.44	Put PREMIUM	R 279.50	R 207.47
1 € / US\$	1.1799	0.00 ↓	-0.41%	1.1848	↓	-0.2%	1.1820	BREAKEVEN SAFEX PRICE	R 2,760.50	R 2,879.53
1 US\$ / ZAR	16.22	-0.13 ↓	-0.8%	16.35	↓	-1.5%	16.47			
Corn Sep	R 2,657.63	-5 ↓	-0.2%	R 2,662.20				*CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day		
Wheat	R 3,710.59	-72 ↓	-1.9%	R 3,782.38				* CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day		
Soybeans	R 6,398.47	-42 ↓	-0.6%	R 6,440.14				* CBOT Soy Dec cents / bushel 08:00 today vs. CBOT Soy Dec 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	416.20	2.60 ↑	0.6%	413.60	Parity prices delivered in Randfontein. WEAT BDN		25	WM	YM	TM
Wheat Dec 20	622.60	-7.00 ↓	-1.1%	629.60	import par not export par		WEEK TOTAL	28,468	8,015	36,483
Soybeans Nov 20	1073.60	1.60 ↑	0.1%	1072.00			YTD TOTAL	434,165	1,125,937	1,560,102
Latest MTM prices (SPOT = nearest contract month (Rand / ton))					Import parity		Export parity		EXPORTABLE	
SORGHUM Dec'20	4060.00	0.00 ↑	0.0%	4060.00	6000.00	3800.00	YTD AS % OF EXPORTABLE	37%	82%	61%
WMAZ Spot	3723.00	-7.00 ↓	-0.2%	3730.00	4100.00	3000.00	PACE/WEEK NEEDED	27,253	9,039	36,293
WMAZ Dec 20	3696.00	-7.00 ↓	-0.2%	3703.00	4900.00	3000.00	MAIZE PRODUCER DELIVERIES			
WMAZ Jul 21	3040.00	-47.00 ↓	-1.5%	3087.00	4900.00	3000.00	WEEK TOTAAL	17,250	7,046	24,296
YMAZ Spot	3588.00	-7.00 ↓	-0.2%	3595.00	4900.00	3000.00	JTD TOTAAL	7,864,985	5,879,097	13,744,082
YMAZ Dec 20	3615.00	-4.00 ↓	-0.1%	3619.00	4900.00	3000.00	NOK SKATTING + REGSTELLINGS	8,863,776	6,104,258	14,968,034
YMAZ Jul 21	3087.00	-33.00 ↓	-1.1%	3120.00	4900.00	3000.00	% GELEWER VAN OES	88.7%	96.3%	91.8%
SOY spot	8369.00	-31.00 ↓	-0.4%	8400.00	9200.00	6600.00	WEEK 03 WHEAT IMPORTS			
SOY May 21	7265.00	23.00 ↑	0.3%	7242.00	9300.00	6600.00	2020/21	2019/20	5 Jr. GEM	
SUN Spot	7950.00	-160.00 ↓	-2.0%	8110.00	9500.00	7400.00	WEEK TOTAL	101,889	66,671	67,118
SUN May 21	7089.00	-66.00 ↓	-0.9%	7155.00	9500.00	7400.00	YTD TOTAL	197,354	189,331	158,076
WHEAT Spot	5314.00	14.00 ↑	0.3%	5300.00	6100.00	5600.00	TOTAL NEEDED	1,700,000	1,850,000	1,678,261
WHEAT Dec 20	5106.00	-15.00 ↓	-0.3%	5121.00	6300.00	5800.00	YTD AS % OF NEEDED	12%	10%	9%
WHEAT Mar 21	5203.00	-13.00 ↓	-0.2%	5216.00	6400.00	5800.00	LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS			

Market overview: The rand is trading at R16.22 / \$ this morning and has strengthened from the levels at which it traded at market close yesterday. The local economy is still under tremendous pressure and the biggest focus in the next few weeks will be on the medium term budget. The local state funds are under tremendous pressure and the funds are very limited. This puts the country as a whole under tremendous pressure.

Maize: The US maize market traded mixed yesterday and initially came under pressure through the trading session, but was able to pick up slightly towards the end of the day to close higher. The US market at this stage is balanced between the optimism of good exports and local harvest pressure. Overall, the US market is strong and the market traded at the highest levels since August 2019 yesterday. The weekly export sales report showed that US maize export sales for the week were about 21% more than the previous four weeks' average export sales. The export sales of 1.8 million tons were also more than all trading expectations for the week. Japan was the largest buyer of U.S. maize for the week. The weekly maize export shipments were also favorable and it was 7% more than the previous four weeks' export shipments. China was the largest recipient of U.S. maize for the week. **Local:** The local maize market came under pressure yesterday and closed lower for the day in most of the contract months currently listed of both white and yellow maize. The local market is still trading strongly and is currently largely driven by the international market and the exchange rate. The local consumption of maize is also good and it also supports the local market.

Soybeans: The U.S. soybean market traded mixed yesterday and found support early in the session but could not hold on to it and the market closed lower for the day. However, the US soybean market is still trading strongly with good optimism regarding exports. Private exporters reported soybean export sales of approximately 272 000 tons to the U.S. Department of Agriculture. A portion of it was for delivery to Mexico while the destination for the balance is unknown. The weekly export sales reported by the USDA were also still good even though they were lower than the previous four weeks' average export sales. Export sales for the week were reported at 2.22 million tons which was very close to the top of the weekly trading expectations. China was the largest buyer of U.S. soybeans for the week. The soybean export shipments were 49% higher than the previous four weeks' average and reached 2.35 million tons. China was the largest recipient of U.S. soybeans for the week. **Local:** The local soybean market mostly came under pressure yesterday and closed lower for the day in most of the contract months currently listed. The local market is still strong with the good local demand and the low available stock.

Wheat: The US wheat market came under pressure yesterday and closed 1.5% lower for the day. The US market was under pressure due to technical sales and profit taking seen in the market yesterday. However, the US wheat market is still trading close to multi year highs. Private exporters reported export sales of about 130 000 tons to the USDA yesterday. It is for delivery to South Korea during the 2020/21 season. Weekly wheat export sales were 23% lower than the previous four weeks' average export sales and also closer to the bottom of weekly trading expectations. Mexico was the largest buyer of U.S. wheat for the week. The weekly wheat export shipments were 67% lower than the previous four weeks' average export shipments. In Argentina, the wheat production estimate was adjusted down 4% from the previous estimate. The lower wheat production in Argentina is mainly due to dry conditions. **Local:** The local wheat market traded mixed yesterday with some of the contracts closing higher for the day, while other contracts came under pressure and closed lower for the day. The local harvesting process is starting soon and the production for the season currently looks very promising.

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
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