

Grain SA's Morning Grain Market Commentary

DATE 2020/01/24 Data	DATE 2020/01/23		DATE 2020/01/23		+ LAST WEEK 2020/01/13		AT THE MONEY PUT OPTION FOR JUL 2020 DELIVERY			
	Δ	Δ%	Data	Δ%	Data	Δ%	Data	WM	YM	
DJIA-index	29160	-26.18 ↓	-0.09%	29186	↑	1.2%	28824	Jul '20 FUTURES PRICE	R 2 413.00	R 2 477.00
Goud (Spot)	1560.62	2.10 ↑	0.13%	1558.52	↑	0.3%	1556.11	Put STRIKE PRICE	R 2 420.00	R 2 480.00
Brent \$/vat	60.9	-1.34 ↓	-2.2%	62.24	↓	-6.1%	64.84	Put PREMIUM	R 137.18	R 130.62
1 € / US\$	1.1046	0.00	-0.13%	1.1083	↓	-0.7%	1.1129	MIN SAFEX PRICE	R 2 282.82	R 2 349.38
1 US\$ / ZAR	14.36	0.02 ↑	0.1%	14.34	↓	-0.1%	14.31			
Corn Mar 19	R 2 223.98	30 ↑	1.4%	R 2 193.79				*CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day		
Wheat Mar 19	R 3 062.42	19 ↑	0.6%	R 3 043.40				*CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day		
Soybeans Mar 19	R 4 798.36	-15 ↓	-0.3%	R 4 813.80				*CBOT Soy Jan cents / bushel 08:00 today vs. CBOT Soy Jan 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 Mar 20	393.40	4.80 ↑	1.2%	388.60				Parity prices delivered in		
Wheat Mar 20	580.40	2.80 ↑	0.5%	577.60				Randfontein. WEAT BDN		
Soybeans Mar 20	909.40	-4.20 ↓	-0.5%	913.60				import par not export par		
Latest MTM prices (SPOT = nearest contract month (Rand / ton))										
SORGHUM Mar '20	3215.00	0.00 ↑	0.0%	3215.00				Import parity	3660.00	2114.00
WMAZ Spot	3167.00	-81.00 ↓	-2.5%	3248.00				Export parity	4415.00	1950.00
WMAZ Mar 20	3068.00	-2.00 ↓	-0.1%	3070.00				week 37 MAIZE PRODUCER DELIVERIES		
WMAZ Jul 20	2413.00	-1.00 ↓	0.0%	2414.00				WEEK TOTAAL	2 079	3 761
YMAZ Spot	2970.00	-43.00 ↓	-1.4%	3013.00				JTD TOTAAL	5 303 107	5 084 344
YMAZ Mar 20	2955.00	-27.00 ↓	-0.9%	2982.00				NOK SKATTING + REGSTELLINGS	5 378 240	5 369 610
YMAZ Jul 20	2477.00	-4.00 ↓	-0.2%	2481.00				% GELEWER VAN OES	98.6%	94.7%
SOY spot	5935.00	-150.00 ↓	-2.5%	6085.00						
SOY May 20	5790.00	-85.00 ↓	-1.4%	5875.00				WEEK 15	WHEAT IMPORTS	
SUN Spot	5828.00	-68.00 ↓	-1.2%	5896.00				2019/20	2018/19	5 Jr. GEM
SUN May 20	5578.00	-36.00 ↓	-0.6%	5614.00				WEEK TOTAL	0	44 918
WHEAT Spot	4640.00	-21.00 ↓	-0.5%	4661.00				YTD TOTAL	437 303	127 813
WHEAT Mar 20	4633.00	-17.00 ↓	-0.4%	4650.00				TOTAL NEEDED	1 750 000	1 355 881
WHEAT May 20	4663.00	-17.00 ↓	-0.4%	4680.00				YTD AS % OF NEEDED	25%	9%

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

Market Review: The rand has moved sideways and is trading at R14.35 this morning against the dollar. It would be wrong to assume that the SA Reserve Bank's decision to lower interest rates in January means that the rating of Moody's Investors Service is already lower than the price of local assets, says bank governor Lesetja Kganyago. The Bank did not take into account a possible move by Moody's because it did not know what might happen or the impact it could have on the pricing of the country's assets and inflation, Kganyago told Business Day on the World Economic Forum Annual Meeting in Davos, Switzerland, on Tuesday. Thousands more people will lose their jobs due to unstable electricity supply in SA, as Samancor Chrome Limited has become the latest employer to issue layoff notices. In a statement issued on Thursday, Samancor said due to challenging steel trading conditions, he issued notifications to more than 3,000 under Section 189A of the Labour Relations Act and would begin the consultation process with unions. "The process could affect 2438 employees at the mining operations and 599 employees at the smelters," the statement says.

Maize: Maize prices jumped about 1% higher after two major export sales were announced to Guatemala and unknown destinations yesterday, and analysts have a positive outlook for the next round of USDA export sales on Friday morning. Meanwhile, Asian feed buyers are paying premiums for maize from Ukraine, one of the few major exporters sitting on higher quality grain. Buyers are cautious about US grain, and a Singapore retailer notes, "There are more lower grade maize this year, mainly from the crop sent by North West ports to North Asia be. " maize exports rose 27% this marketing year, up 14.199 million tons from January 20. **Local:** In the local market, maize prices caught the wind yesterday. White and yellow maize prices showed sharp declines for the day's trading.

Soybeans: Soybean prices moved moderately lower again in a turbulent session on Thursday, as the absence of recent Chinese purchases and favourable South American weather forecasts brought enough headwinds to spur more technical sales yesterday. IGC increased its global soybean production forecast from 2019/20 to 341 million tonnes, but the projection is still 5.3% lower than last year's record production. Inventory is expected to tighten to just 36 million tonnes after the United States saw moderate weather-related production cuts last season. **Local:** The local market experienced pressure yesterday with the international grain information released. Soybean prices experienced sharp declines yesterday and concluded with all contracts in the red.

Wheat: Wheat prices were now mixed, but mostly lower amid a round of uneven technical manoeuvring on Thursday. IGC projects world wheat production of 2019/20 slightly lower at 760 million tonnes, which is still 3.8% higher than last year's production. Transfer supplies are also expected to rise. **Local:** The wheat markets also experienced pressure yesterday and this had a flood effect on our markets. Wheat traded down on all contracts yesterday.

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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