

Grain SA's Morning Grain Market Commentary

GRAIN SA GRAAN SA	DATE	DATE			+ - LAST WEEK		AT THE MONEY PUT OPTION FOR JULY 2021 DELIVERY						
	2021/02/25	2021/02/24			2021/02/15		WM		YM				
	Data	Δ	Δ%	Data	Δ%	Data	Jul '21 FUTURES PRICE	R	3,090.00	R	3,211.00		
DJIA-index	31962	424.51	↑	1.35%	31537	↑	1.6%	31458	Put STRIKE PRICE	R	3,100.00	R	3,220.00
Goud (Spot)	1797.48	-11.87	↓	-0.66%	1809.35	↓	-1.4%	1822.26	Put PREMIUM	R	163.57	R	165.58
Brent \$/vat	66.43	2.44	↑	3.8%	63.99	↑	4.4%	63.64	BREAKEVEN SAFEX PRICE	R	2,936.43	R	3,054.42
1 € / US\$	1.2179	0.00	↑	0.27%	1.2146	↑	0.3%	1.2138					
1 US\$ / ZAR	14.47	-0.10	↓	-0.7%	14.57	↑	0.1%	14.46					
Corn Sep	R 3,185.50	10	↑	0.3%	R 3,175.40				*CBOT Corn Dec cents / bushel 08:00 today vs. CBOT Dec 12:00 the previous day				
Wheat	R 3,616.50	53	↑	1.5%	R 3,563.33				*CBOT Wheat Dec cents / bushel 08:00 today vs. CBOT Wheat Dec 12:00 the previous day				
Soybeans	R 7,569.02	42	↑	0.6%	R 7,527.10				*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 Mar 21	559.20	5.60	↑	1.0%	553.60	Parity prices delivered in Randfontein. WEAT BDN import par not export parity		42	WM	YM	TM		
Wheat Mar 21	680.20	14.60	↑	2.2%	665.60	WEEK TOTAL		41,153	7,514	48,667			
Soybeans Mar 21	1423.60	17.60	↑	1.3%	1406.00	YTD TOTAL		825,135	1,284,749	2,109,884			
Latest MTM prices (SPOT - nearest contract month (Rand / ton))							Import parity	Export parity	EXPORTABLE				
SORGHUM Mar'21	4260.00	0.00	↑	0.0%	4260.00	6400.00	4200.00	YTD AS % OF EXPORTABLE		73%	89%	82%	
WMAZ Spot	3260.00	17.00	↑	0.5%	3243.00	-	-	PACE/WEEK NEEDED		30,487	16,525	47,012	
WMAZ May 21	3127.00	-14.00	↓	-0.4%	3141.00	-	-	MAIZE PRODUCER DELIVERIES					
WMAZ Jul 21	3090.00	-19.00	↓	-0.6%	3109.00	-	-	WEEK TOTAL		9,105	5,163	14,268	
YMAZ Spot	3339.00	-18.00	↓	-0.5%	3357.00	4900.00	3000.00	JTD TOTAL		8,123,761	6,096,701	14,220,462	
YMAZ May 21	3256.00	-15.00	↓	-0.5%	3271.00	4900.00	3000.00	NOK SKATTING + REGSTELLINGS		8,893,033	6,878,516	15,771,549	
YMAZ Jul 21	3211.00	-19.00	↓	-0.6%	3230.00	4900.00	2900.00	% GELEWER VAN OES		91.3%	88.6%	90.2%	
SOY spot	8935.00	-210.00	↓	-2.3%	9145.00	9300.00	6600.00	WEEK 20		WHEAT IMPORTS			
SOY May 21	7596.00	-53.00	↓	-0.7%	7649.00	10100.00	7300.00	2020/21		2019/20	5 Jr. GEM		
SUN Spot	9360.00	14.00	↑	0.1%	9346.00	11100.00	8900.00	WEEK TOTAL		12,591	30,215	58,337	
SUN May 21	8466.00	-34.00	↓	-0.4%	8500.00	11100.00	8900.00	YTD TOTAL		465,444	569,283	572,471	
WHEAT Spot	5095.00	13.00	↑	0.3%	5082.00	5600.00	5100.00	TOTAL NEEDED		1,540,000	1,850,000	1,678,261	
WHEAT May 21	5160.00	13.00	↑	0.3%	5147.00	5600.00	5100.00	YTD AS % OF NEEDED		30%	31%	34%	
WHEAT Jul 21	5196.00	4.00	↑	0.1%	5192.00	5700.00	5200.00	LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS					
<p>Market overview: The firm commitment to fiscal consolidation in finance minister Tito Mboweni's 2021 budget delivered on Wednesday, may just be enough to fend off any further credit ratings downgrades, economists say. SA's weak fiscal metrics, particularly runaway debt levels, and the slow pace of economic reforms, against persistently low growth, have routinely been cited by ratings agencies as reasons for its poor credit profile. Though the 2021 budget showed an improvement in SA's fiscal trajectory "severe challenges to the government's ability to implement consolidation persist", Fitch Ratings warned on Wednesday evening. A revenue windfall, improved growth projections and a firm commitment to hold the line on wage increases for public servants enabled finance minister Tito Mboweni to deliver a much improved fiscal picture and a budget that was celebrated by the markets. While the country still faces a real risk of a sovereign debt crisis if it does not arrest the rising trajectory of debt, which is among the fastest in the world, the improved metrics will make it possible to borrow less over the next three years. The Treasury said that it now hopes the debt-to-GDP ratio will peak at 88.9% in 2025/2026, against projections six months ago for the ratio to reach 95.3%. The rand remained steady in the overnight session, as the dovish Fed added pressure to the dollar while minimising inflation fears. The Fed's stance boosted EM currencies, with the rand reaching a 14-month high of R14.38/\$ during trade yesterday. It's rather busy on the data side today, with local PPI due for release, followed by US durable goods orders, jobless claims and GDP numbers. The rand is steady at R14.52/\$, R17.66/€ and R20.54/£.</p> <p>Maize: US maize prices followed a broad range of other commodities higher, including soybeans, wheat, livestock, energy and stocks. The spillover strength was enough to prompt some technical buying that improved prices by around 1% yesterday. U.S. ethanol production tumbled 28% lower week-over-week to a seasonal low of 658 000 barrels per day for the week ending February 19 after production plants faced logistical problems amid widespread subzero weather last week. Production is likely to rebound back to its prior levels of approximately 935 000 barrels per day now that this once-off problem is in the rear-view mirror. Local: The local maize market traded volatile yesterday over all the contracts listed for white and yellow maize. The white maize market traded R 19 / ton lower for delivery in July 2021 for the day to close at R 3 090 / ton. The yellow maize market traded lower for delivery in July 2021 R 21 / ton to close at R 3 209 / ton.</p> <p>Soybeans: Soybean prices enjoyed another round of double-digit gains yesterday in the US, closing 1.25% higher on another round of technical buying spurred by news of harvest delays in South America. A Reuters poll of 13 trade analysts shows the expectation for Brazil's 2020/21 soybean harvest to come in around 124 million tons. If realized, that would move nearly 6.5% above last year's production and will be the country's biggest harvest on record. Local: The local soybean market yesterday lost support over all contracts currently listed. The local soybean market traded for delivery in May 2021, R 57 / ton lower for the day to close at R7 592 / ton.</p> <p>Wheat: US wheat prices found solid gains on another round of technical buying yesterday, moving to the highest level in more than a month. Traders remain watchful for signs of quality and yield damage in the U.S. and Black Sea region, which both faced widespread subzero temperatures last week. India could see a record wheat production in 2021/22 that could reach 111 million tons, with the country's government reporting that plantings are up 3.1% a year ago to 34.509 million hectares. The country has seen some struggles with recent hot, dry weather, however. Local: The local wheat market received support yesterday and ended stronger over all listed contracts. The local wheat market traded R 3 / ton higher for delivery in July 2021 and closed at R 5 195 / ton.</p>													
<p>Domestic Market Insights & Data: www.grainsa.co.za / www.sagis.co.za International Market Insights & Data: www.usda.gov</p> <p>Compiled by: <i>Ikageng Maluleke</i> For any queries, contact ikageng@grainsa.co.za Thank you for the Maize Trust for partially funding this project</p>													

