

### Grain SA's Morning Grain Market Commentary

DATE 2020/09/25	DATE 2020/09/23		+ - LAST WEEK 2020/09/14		AT THE MONEY PUT OPTION FOR JULY 2021 DELIVERY					
	Δ	Δ%	Data	Δ%	Data	WM	YM			
DJIA-index	26815	-472,74 ↓	-1,73%	27288	↓	-3,1%	27666	Jul '21 FUTURES PRICE	R 2 937,00	R 2 939,00
Goud (Spot)	1869,24	-18,00 ↓	-0,95%	1887,24	↓	-4,0%	1947,24	Put STRIKE PRICE	R 2 940,00	R 2 939,00
Brent \$/vat	42,26	0,83 ↑	2,0%	41,43	↓	-5,9%	39,91	Put PREMIUM	R 261,55	R 190,11
1 € / US\$	1,1667	0,00	-0,15%	1,1685	↓	-1,5%	1,1844	BREAKEVEN SAFEX PRICE	R 2 678,45	R 2 748,89
1 US\$ / ZAR	16,91	0,10 ↑	0,6%	16,81	↓	-1,3%	16,69			
Corn Sep	R 2 419,19	-24 ↓	-1,0%	R 2 443,27				*CBOT Corn Sep cents / bushel 08:00 today vs. CBOT Sep 12:00 the previous day		
Wheat	R 3 414,86	-32 ↓	-0,9%	R 3 446,55				*CBOT Wheat Sep cents / bushel 08:00 today vs. CBOT Wheat Sep 12:00 the previous day		
Soybeans	R 6 213,36	-84 ↓	-1,3%	R 6 297,68				*CBOT Soy Aug cents / bushel 08:00 today vs. CBOT Soy Aug 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 day)										
					WEEK NR.		MAIZE EXPORTS			
Corn Dec 20	363,40	-5,80 ↓	-1,6%	369,20	Parity prices delivered in Randfontein. WEAT BDN import par not export par		20	WM	YM	TM
Wheat Dec 20	549,60	-8,40 ↓	-1,5%	558,00			WEEK TOTAL	13 820	96 730	110 550
Soybeans Nov 20	1000,00	-19,60 ↓	-1,9%	1019,60			YTD TOTAL	346 297	1 075 665	1 421 962
Latest MTM prices (SPOT = nearest contract month (Rand / ton))					Import parity		Export parity		EXPORTABLE	
SORGHUM Sep'20	3800,00	0,00 ↑	0,0%	3800,00	5300,00	3200,00	YTD AS % OF EXPORTABLE	30%	79%	56%
WMAZ Spot	3441,00	29,00 ↑	0,8%	3412,00	3990,00	2400,00	PACE/WEEK NEEDED	25 741	9 198	34 939
WMAZ Dec 20	3429,00	47,00 ↑	1,4%	3382,00	4300,00	2500,00	MAIZE PRODUCER DELIVERIES			
WMAZ Jul 21	2937,00	21,00 ↑	0,7%	2916,00	4400,00	2500,00	WEEK TOTAAL	79 612	21 841	101 453
YMAZ Spot	3311,00	31,00 ↑	0,9%	3280,00	4300,00	2500,00	JTD TOTAAL	7 557 653	5 770 849	13 328 502
YMAZ Dec 20	3349,00	24,00 ↑	0,7%	3325,00	4300,00	2500,00	NOK SKATTING + REGSTELLINGS	8 863 776	6 104 258	14 968 034
YMAZ Jul 21	2939,00	26,00 ↑	0,9%	2913,00	4400,00	2590,00	% GELEVER VAN OES	85,3%	94,5%	89,0%
SOY spot	8072,00	-24,00 ↓	-0,3%	8096,00	8400,00	6000,00	WHEAT IMPORTS			
SOY May 21	7098,00	10,00 ↑	0,1%	7088,00	8600,00	6000,00	WEEK 50			
SUN Spot	7718,00	27,00 ↑	0,4%	7691,00	8700,00	6700,00	2019/20	2018/19	5 Jr. GEM	
SUN May 21	6950,00	38,00 ↑	0,5%	6912,00	8700,00	6700,00	WEEK TOTAL	67 270	78517	47 752
WHEAT Spot	5044,00	14,00 ↑	0,3%	5030,00	5600,00	5100,00	YTD TOTAL	1 723 401	1 140 137	1 534 691
WHEAT Dec 20	4933,00	17,00 ↑	0,3%	4916,00	5700,00	5200,00	TOTAL NEEDED	1 820 000	1 355 881	1 671 817
WHEAT Mar 21	5028,00	17,00 ↑	0,3%	5011,00	5790,00	5270,00	YTD AS % OF NEEDED	95%	84%	92%

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

**Market overview:** An upsurge in Covid-19 infections and the prospect of economically damaging restrictions in key markets has analysts braced for more rand volatility after it breached R17/\$ for the first time in three weeks. In a sign of how fast the rand's fortunes can change, it fell as much as 1.8% to R17.1026 on Wednesday, according to Bloomberg data. That was less than a week after it surged to a more than six-month high of R16.08/\$. In quiet trade on the Heritage Day public holiday, it was flat at R17.08/\$. And this morning the rand is trading at R16.91/\$. No amount of monetary policy action can lift SA's economic performance if structural impediments, such as poor electricity supply, are not dealt with, Reserve Bank governor Lesetja Kganyago says. The Bank, which has had to fend off criticism that it could have done more to safeguard the economy since the outbreak of Covid-19, despite cutting its main interest rate to the lowest level in about half a century, can do very little about the factors that have held SA back over the past decade, Kganyago told Tim Modise of Business Day.

**Maize:** Maize prices sputtered again Thursday, dropping nearly 1.5% in a somewhat choppy session and falling below the 20-day moving average for the first time in six weeks. Maize export sales came in strong at 2.138 million tons, anchored by a big turnout to China. Cumulative totals for the 2020/21 marketing year are trending moderately above last year's pace so far. Maize export shipments were for 845 000 tons. China was the No. 1 destination, taking nearly a quarter of the total. The International Grains Council lowered its estimates for global maize production in 2020/21 based on expected reductions in U.S. yields. Local: The local maize market found mostly support yesterday and traded stronger for the day in most of the contracts of both white and yellow maize currently listed. The white maize market traded R46 / ton stronger for delivery in December 2020 for the day to close at R3 429 / ton. The yellow maize market traded R24 / ton stronger for delivery in December 2020 to close at R3 349 / ton.

**Soybeans:** Soybean prices struggled through a choppy session Thursday, gathering double-digit losses in the process in the US. Harvest progress in recent days has drummed up an atmosphere ripe for technical selling and profit-taking after prices rose to the highest levels in more than two years late last week. Soybean export sales climbed to 3.195 million tons last week, with China accounting for 59% of that total. Cumulative totals for the 2020/21 marketing year are outmatching last year's pace so far. Soybean export shipments were also robust, with another 1.281 million tons last week. China accounted for more than half of that total. The International Grains Council's estimates for 2020/21 global soybean production held steady, at 372 million tons. Local: The local soybean market traded volatile yesterday but mostly found support and traded stronger for the day in most of the contract months currently listed. For delivery in December 2020, the local soybean market traded R56 / ton higher for the day to close at R8 161 / ton.

**Wheat:** Wheat prices overcame overnight losses to move slightly into the green in Thursday's session as traders engaged in some light technical buying and short-covering. Wheat export sales were less impressive last week, sliding 34% below the prior four-week average to 351 000 tons. South Korea was the top buyer. Cumulative totals for the 2020/21 marketing year are still maintaining a slim lead over last year's pace, with 8.142 million tons. Wheat export shipments were also 21% below the prior four-week average, with 468 000 tons. Japan was the No. 1 destination. Yield-replenishing rains are expected to fall in parched areas of Argentina this weekend. The country's Buenos Aires Grains Exchanges estimated that 60% of the current wheat crop is seeing "average to very dry" conditions so far. Production estimates are for 17.499 million tons, which would represent a 7% drop from last year, if realized. Local: The local wheat market on Tuesday mostly traded stronger with all contracts finding support. The local wheat market traded for delivery in December 2020, R17 / ton higher to close at R4 933 / ton.

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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Thank you for the Maize Trust for partially funding this project

