

Grain SA's Morning Grain Market Commentary

DATE 2019/04/26	DATE 2019/04/25		+ - LAST WEEK 2019/04/18		AT THE MONEY PUT OPTION			
	Δ	Δ%	Δ	Δ%	WM	YM		
DJIA-index	26597	-0.05	0.00%	26597	0.6%	26450	JUL '19 FUTURES PRICE R 2 591.00 R 2 516.00	
Goud (Spot)	1280.17	3.97	0.3%	1276.2	0.7%	1271.66	PUT STRIKE PRICE R 2 600.00 R 2 520.00	
Brent \$/vat	74.22	0.48	0.7%	73.74	3.6%	71.62	PUT PREMIUM R 102.36 R 78.73	
1 € / US\$	1.1136	0.00	-0.18%	1.1156	-1.5%	1.1301	MIN SAFEX PRICE R 2 497.64 R 2 441.27	
1 US\$ / ZAR	14.37	-0.150	-1.0%	14.52	2.9%	13.97		
Corn Mar 19	R 1 965.30	-7	-0.3%	R 1 972.10	*CBOT Corn May cents / bushel 08:00 today vs. CBOT May 12:00 the previous day			
Wheat Mar 19	R 2 294.72	-3	-0.1%	R 2 297.33	* CBOT Wheat May cents / bushel 08:00 today vs. CBOT Wheat May 12:00 the previous day			
Soybeans Mar 19	R 4 536.64	-39	-0.8%	R 4 575.46	* CBOT Soy May cents / bushel 08:00 today vs. CBOT Soy May 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.			
Corn Mar 19	347.40	2.40	0.7%	345.00	48			
Wheat Mar 19	434.60	4.00	0.9%	430.60	WEEK TOTAL 9 805 5 028 14 833			
Soybeans Jan 18	859.20	1.60	0.19%	857.60	YTD TOTAL 527 856 1 509 342 2 037 198			
Latest MTM prices (SPOT = nearest contract month (Rand / ton)					EXPORTABLE			
SORGHUM Mar '19	3568.00	0.00	0.0%	3568.00	3728.00	2100.00	YTD AS % OF EXPORTABLE 41% 72% 60%	
WMAZ Spot	2539.00	-54.00	-2.1%	2593.00	4096.00	2370.00	PACE/WEEK NEEDED 193 036 147 665 340 701	
WMAZ May 19	2584.00	-63.00	-2.4%	2647.00	3529.00	2129.00		
WMAZ Jul 19	2591.00	-55.00	-2.1%	2646.00	3584.00	2182.00		
YMAZ Spot	2491.00	-45.00	-1.8%	2536.00	3529.00	2129.00		
YMAZ May 19	2510.00	-51.00	-2.0%	2561.00	3529.00	2129.00		
YMAZ Jul 19	2516.00	-32.00	-1.3%	2548.00	3584.00	2182.00		
SOY spot	4739.00	18.00	0.4%	4721.00	6222.00	4486.00		
SOY May 19	4831.00	13.00	0.3%	4818.00	6485.00	4475.00		
SUN Spot	5010.00	2.00	0.0%	5008.00	6343.00	4855.00	WHEAT IMPORTS	
SUN May 19	5127.00	-3.00	-0.1%	5130.00	6343.00	4855.00	2018/19 2017/18 5 Jr. GEM	
WHEAT Spot	4640.00	65.00	1.4%	4575.00	4646.00	4326.00	WEEK TOTAL 764 - 28 795	
WHEAT May 19	4685.00	42.00	0.9%	4643.00	4718.00	4398.00	YTD TOTAL 461 724 1 145 540 917 219	
WHEAT Jul 19	4545.00	35.00	0.8%	4510.00	4676.00	4356.00	TOTAL NEEDED 1 520 000 2 173 234 1 727 637	
					YTD AS % OF NEEDED 30% 53% 53%			

Market Overview: The rand is trading at R14.37 / \$ this morning and has strengthened 15 cents from the levels it was trading on at market closure yesterday. The rand has come under severe pressure during the past week and can largely be attributed to a mix of international and local factors. Internationally, the dollar has strengthened against the major currencies, putting pressure on the rand. In the local context, factors such as the state guarantee granted to Eskom have again put pressure on the local currency. The mismanagement of state-owned institutions is one of the biggest issues that has been putting pressure on the local economy and therefore the currency over the past few years. Statistics SA yesterday announced the producer price index for March and the year-on-year increase was 6.2%. It was higher than the general expectation that the PPI should be around 5.5%.

Maize: The US maize market found support yesterday but closed only marginally higher for the day in both the May and July futures. In the USDA's weekly export sales report, it was reported that weekly maize exports were about 782 000 tons. The vast majority of them are old season sales while the rest is new season sales. The weekly export sales were slightly above the previous week's weekly exports, but lower than the general trading expectations in the market. Export shipments for the week were reported at 1,016 million tons. Mexico is the largest import destination of US maize and has received about 32% of total US exports for the 2018/19 season. **Local:** The local maize market came under pressure yesterday and traded lower for the day in most of the contract months currently listed of both white and yellow maize. The CEC announced its third production estimate for the season and according to that the white maize production for the season should be 5,286 million tons and the yellow maize production for the season 5,368 million tons. The total production estimate for the season was adjusted upwards by 0,9% from the previous estimate made at the end of March.

Soybeans: The US soybean market found support yesterday and traded stronger for the day after the market reached bargain buying levels. Both the May and July futures closed stronger for the day. In the weekly export sales report released yesterday, the USDA announced that total export sales for the week were about 618 000 tons. This includes both old and new season sales. The weekly export sales were higher than last week's export sales and also higher than the general trading expectations for the week. Export shipments for the week were reported at 960 724 tons. China was the largest recipient of US soybeans this week. In other international news, China imported 2.78 million tons of soybeans during March from Brazil. This was 57% of total imports during March. **Local:** The local soybean market found support yesterday and traded stronger for the day in most of the contract months currently listed. In yesterday's 3rd production estimate of soybeans, the production expectation for the season has been adjusted upwards by 1.55% from the previous month's estimate. The soybean production for the season is now estimated at 1,295 million tons.

Wheat: The US wheat market traded mixed yesterday and there was no clear trend in the market. Both the hard red winter and spring wheat markets traded stronger for the day while the soft red winter wheat market came under pressure and closed lower for the day. The weekly export sales report reported that the weekly export sales were about 650 000 tons. This includes both old and new season sales. The weekly export sales were higher than last week's export sales and also more than the average trading expectations for the week. Export shipments for the week were reported at 438 000 tons with Mexico as the largest recipient of US wheat. The International Grains Council has slightly adjusted their world wheat production forecast for the season slightly upwards from the previous forecast. **Local:** The local wheat market found support yesterday and traded stronger for the day in most of the contract months currently listed. The CEC announced its intention to plant for the season and is estimated at 513 450 hectares. This is 10 100 hectares more than the previous season's plantings.

Domestic Market Insights & Data: www.grainsa.co.za / www.sagis.co.za
International Market Insights & Data: www.usda.gov

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