

Grain SA's Morning Grain Market Commentary

DATE 2020/09/30	DATE 2020/09/29			+ - LAST WEEK 2020/09/25		AT THE MONEY PUT OPTION FOR JULY 2021 DELIVERY					
	Data	Δ	Δ%	Data	Δ%	Data	WWM	YM	TM		
DJIA-index	27453	-131,40	↓ 0,48%	27584	↑ 2,4%	26815	Jul '21 FUTURES PRICE	R 2 940,00	R 2 957,00		
Goud (Spot)	1889,76	10,21	↑ 0,54%	1879,55	↓ 1,1%	1869,24	Put STRIKE PRICE	R 2 940,00	R 2 960,00		
Brent \$/vat	41,31	-1,57	↓ -3,7%	42,88	↓ -2,2%	42,26	Put PREMIUM	R 257,79	R 190,58		
1 € / US\$	1,1727	0,01	↑ 0,51%	1,1668	↑ 0,5%	1,1667	BREAKEVEN SAFEX PRICE	R 2 682,21	R 2 769,42		
1 US\$ / ZAR	16,95	-0,07	↓ -0,4%	17,02	↑ 0,2%	16,91					
Corn Sep	R 2 432,92	-23	↓ -1,0%	R 2 456,37			*CBOT Corn Sep cents / bushel 08:00 today vs. CBOT Sep 12:00 the previous day				
Wheat	R 3 421,70	-19	↓ -0,6%	R 3 440,83			*CBOT Wheat Sep cents / bushel 08:00 today vs. CBOT Wheat Sep 12:00 the previous day				
Soybeans	R 6 184,46	-46	↓ -0,7%	R 6 230,02			*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	364,60	-2,00	↓ -0,5%	366,60			20	WWM	YM	TM	
Wheat Dec 20	549,40	-0,80	↓ -0,1%	550,20		Parity prices delivered in Randfontein. WEAT BDN import par not export par	WEEK TOTAL	13 820	96 730	110 550	
Soybeans Nov 20	993,00	-3,20	↓ -0,3%	996,20			YTD TOTAL	346 297	1 075 665	1 421 962	
Latest MTM prices (SPOT = nearest contract month (Rand / ton))						Import parity	Export parity	EXPORTABLE	1 170 000	1 370 000	2 540 000
SORGHUM Sep'20	3800,00	0,00	↑ 0,0%	3800,00		5300,00	3200,00	YTD AS % OF EXPORTABLE	30%	79%	56%
WMAZ Spot	3460,00	-19,00	↓ -0,5%	3479,00		3990,00	2400,00	PACE/WEEK NEEDED	25 741	9 198	34 939
WMAZ Dec 20	3452,00	-16,00	↓ -0,5%	3468,00		4300,00	2500,00	MAIZE PRODUCER DELIVERIES			
WMAZ Jul 21	2940,00	-9,00	↓ -0,3%	2949,00		4400,00	2500,00	WEEK TOTAAL	79 612	21 841	101 453
YMAZ Spot	3355,00	0,00	↑ 0,0%	3355,00		4300,00	2500,00	JTD TOTAAL	7 557 653	5 770 849	13 328 502
YMAZ Dec 20	3384,00	-2,00	↓ -0,1%	3386,00		4300,00	2500,00	NOK SKATTING + REGSTELLINGS	8 863 776	6 104 258	14 968 034
YMAZ Jul 21	2957,00	-8,00	↓ -0,3%	2965,00		4400,00	2590,00	% GELEVER VAN OES	85,3%	94,5%	89,0%
SOY spot	8233,00	19,00	↑ 0,2%	8214,00		8400,00	6000,00	WEEK 50 WHEAT IMPORTS			
SOY May 21	7118,00	-61,00	↓ -0,8%	7179,00		8600,00	6000,00	2019/20	2018/19	5 Jr. GEM	
SUN Spot	7621,00	-99,00	↓ -1,3%	7720,00		8700,00	6700,00	WEEK TOTAL	67 270	78517	47 752
SUN May 21	6880,00	-80,00	↓ -1,1%	6960,00		8700,00	6700,00	YTD TOTAL	1 723 401	1 140 137	1 534 691
WHEAT Spot	5020,00	-60,00	↓ -1,2%	5080,00		5600,00	5100,00	TOTAL NEEDED	1 820 000	1 355 881	1 671 817
WHEAT Dec 20	4937,00	-10,00	↓ -0,2%	4947,00		5700,00	5200,00	YTD AS % OF NEEDED	95%	84%	92%
WHEAT Mar 21	5037,00	-8,00	↓ -0,2%	5045,00		5790,00	5270,00	LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS			

Market overview: The JSE faces mixed Asian markets on Wednesday morning, with investors digesting the outcome of the contentious US presidential debate and Chinese data. The US electoral contest is being closely watched, amid signs of clear political divisions even as the world's largest economy grapples with the fallout from the Covid-19 pandemic. In morning trade, the Shanghai Composite was up 0.45% and the Hang Seng 1.18%, while Japan's Nikkei had lost 0.82%. Tencent, which influences the JSE via Naspers, had added 1.58%. Gold was down 0.5% to \$1,888.60/oz while platinum had slipped 1.08% to \$874.95. Brent crude was 0.71% weaker at \$40.49 a barrel. The rand was 0.21% weaker at R16.95/\$. Focus on Wednesday is on US and UK second-quarter GDP data, while locally inflation numbers for August are also due.

Maize: Maize prices dropped moderately in the USA after harvest pressure and expectations for historically large domestic stocks spurred a round of technical selling. Harvest progress has reached 15% completion, up from 8% last week. Analysts were expecting a bit more progress, with an average trade guess of 17%. That's also slightly behind the prior five-year average of 16%. Three-fourths of the crop is now fully mature, up from 59% a week ago and ahead of the prior five-year average of 65%. **Local:** The local maize market yesterday traded mostly mixed with some white maize contracts coming under pressure while some yellowmaize contracts found support. The white maize market traded R19 / ton lower for delivery in October 2020 for the day to close at R3 460 / ton. The yellow maize market traded sideways for delivery in October 2020 to close at R3 355 / ton.

Soybeans: Soybean prices continued to fade in the USA on better-than-expected crop quality and expectations of seeing historically large domestic stocks when USDA releases that data today. Private exporters reported to USDA the sale of 100 000 tons of soybeans for delivery to Mexico during the 2020/21 marketing year, which began September 1. USDA has marked harvest progress at 20%, jumping ahead of last week's mark of 6%, as well as the prior five-year average of 15%. **Local:** The local soybean market found mostly support yesterday and traded stronger for the day in most of the contract months currently listed. The local soybean market traded for delivery in October 2020, R19 / ton higher for the day to close at R8 233 / ton.

Wheat: Wheat prices fell on the prospect of rising domestic stocks and the usual concerns over U.S. wheat's competitiveness on the world market. USDA is no longer reporting spring wheat harvest progress after noting 96% completion last week. The agency continues to update winter wheat planting progress, however. The 2020/21 crop is now 35% planted, up from 20% last week and slightly ahead of the prior five-year average of 33%. And 10% of the crop is now emerged, versus 3% a week ago and the prior five-year average of 8%. **Local:** According to the CEC revised area estimate and second production forecast of winter crops the expected production of wheat is 2,024 mill. tons, which is 3,15% or 61 800 tons more than the previous forecast of 1,962 mill. tons, whilst the expected yield is 3,97 t/ha. This is the largest expected wheat crop since the 2,130 mill. tons of the 2008 season. The production forecast for malting barley is 520 106 tons, which is 2,95% or 14 891 tons more than the previous forecast of 505 215 tons. The area planted is estimated at 141 690 ha, while the expected yield is 3,67 t/ha. The expected canola crop is 126 520 tons, which is 3,01% or 3 700 tons more than the previous forecast of 122 820 tons. The area estimate for canola is 74 120 ha, with an expected yield of 1,71 t/ha. The expected oats (cereals) crop for 2020 is 44 900 tons. The revised area estimate is 26 200 ha and the expected yield is 1,71 t/ha. The local wheat market mostly came under pressure yesterday and traded weaker for the day. The local wheat market traded for delivery in December 2020, R10 / ton lower to close at R4 937 / ton.

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

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