

Grain SA's Morning Grain Market Commentary

DATE 2018/05/29 Data	DATE 2018/05/28		+ - LAST WEEK 2018/05/21		AT THE MONEY PUT OPTION						
	Δ	Δ%	Δ	Δ%	WM		YM				
DJIA-index	24753	-58.76 ↓	-0.2%	24812	↑	0.2%	24715	JULY '18 FUTURES PRICE R 2 153.00	R 2 261.00		
Goud (Spot)	1293.27	-8.99 ↓	-0.7%	1302.26	↑	0.5%	1287.25	PUT STRIKE PRICE R 2 160.00	R 2 260.00		
Brent \$/vat	75.33	-3.55 ↓	-4.5%	78.88	↓	-3.9%	78.36	PUT PREMIUM R 63.20	R 58.36		
1 € / US\$	1.1612	-0.01 ↓	-0.8%	1.1705	↓	-0.2%	1.1749	MINIMUM SAFEX PRICE R 2 096.80	R 2 201.64		
1 US\$ / ZAR	12.45	0.030 ↑	0.2%	12.42	↓	-0.6%	12.78				
Corn	R 2 005.61	29 ↑	1.5%	R 1 976.33				* CBOT Corn Jul cents / bushel 08:00 today vs. CBOT Jul 12:00 the previous day			
Wheat	R 2 425.45	6 ↑	0.2%	R 2 419.60				* CBOT Wheat Jul cents / bushel 08:00 today vs. CBOT Wheat Jul 12:00 the previous day			
Soybeans	R 4 796.92	71 ↑	1.5%	R 4 726.03				* CBOT Soy Jul cents / bushel 08:00 today vs. CBOT Soy Jul 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 July 18	409.20	5.00 ↑	1.2%	404.20	Daily parity prices delivered in Randfontein		3		WM	YM	TM
Wheat July 18	530.20	0.00 ↑	0.0%	530.20			WEEK TOTAL		8 221	2 198	10 419
Soybeans July 18	1048.60	13.00 ↑	1.3%	1035.60			YTD TOTAL		83 599	8 280	91 879
Latest MTM prices (SPOT = nearest contract month (Rand / ton))					Import parity		Export parity		EXPORTABLE		
SORGHUM Jul '18	3010.00	0.00 ↑	0.0%	3010.00	3554.00	1674.00	YTD AS % OF EXPORTABLE		5%	0%	2%
WMAZ Jun 18	2138.00	14.00 ↑	0.7%	2124.00	3581.00	1899.00	PACE/WEEK NEEDED		31 559	51 872	83 431
WMAZ Jul 18	2153.00	12.00 ↑	0.6%	2141.00	3556.00	1874.00	MIELIE PRODUSENTE LEWERINGS				
WMAZ Sep 18	2204.00	10.00 ↑	0.5%	2194.00	3598.00	1915.00	WEEK TOTAAL		64 090	80 473	144 563
YMAZ Jun 18	2238.00	16.00 ↑	0.7%	2222.00	3492.00	1774.00	JTD TOTAAL		206 570	271 553	478 123
YMAZ Jul 18	2261.00	11.00 ↑	0.5%	2250.00	3556.00	1874.00	NOK SKATTING + REGSTELLINGS		6 379 660	5 797 150	12 176 810
YMAZ Sep 18	2306.00	13.00 ↑	0.6%	2293.00	3598.00	1915.00	% GELEWER VAN OES		3%	5%	4%
SOY Jun 18	4483.00	-54.00 ↓	-1.2%	4537.00	6537.00	4267.00	TEMPO /WEEK BENODIG		150 563	134 771	285 334
SOY Jul 18	4543.00	-50.00 ↓	-1.1%	4593.00	6537.00	4259.00	WHEAT IMPORTS				
SUN Jun 18	4567.00	-26.00 ↓	-0.6%	4593.00	6013.00	4246.00	2017/18		2016/17	5 Yr. AVG	
SUN Jul 18	4630.00	-28.00 ↓	-0.6%	4658.00	6537.00	4259.00	WEEK TOTAL		66 614	16 432	16 332
WHEAT Jun 18	3822.00	-33.00 ↓	-0.9%	3855.00	4095.00	2732.00	YTD TOTAL		1 236 451	487 584	971 083
WHEAT Jul 18	3867.00	-26.00 ↓	-0.7%	3893.00	4708.00	2469.00	TOTAL NEEDED		1 930 000	930 728	1 622 999
WHEAT Sep 18	3872.00	-25.00 ↓	-0.6%	3897.00	4796.00	2555.00	YTD AS % OF NEEDED		64%	52%	60%

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

Market overview: The rand trades this morning at R12.45 / \$, around 2 cents weaker than the levels it traded on yesterday with market closing. In the local economic environment there are many new data that will be released this week, which will be a good indication of the state of the local economy. The information released this week includes the private sector's credit extension, new vehicle sales, the PPI for April, the South African trade balance for April, as well as the ABSA PMI for May. The private sector's credit appetite will be announced on Wednesday and it will show whether the better consumer confidence has led to a greater demand among consumers that will be positive for GDP growth. The expectation for the PPI figures is that it may be higher than the previous month's figure considering the fact that the CPI for April was also higher. The forecast for the trade balance is that there should probably be a monthly surplus, although the expectation is that it would not be large.

Maize: The US market was closed yesterday due to a public holiday day and no trading took place yesterday. However, the American markets have been trading positively since Friday afternoon. The USDA crop progress report will be announced later today and will be a good indication of the progress of American plantings. The plantings in the US should be close to completion in the USA as they have progressed well over the last two weeks. News from other international countries is that plantings of summer crops in Ukraine have progressed well so far and about 95% have been completed. The plantings there initially started quite slowly, but have progressed well over the last few weeks, with the weather starting to turn more favourable. Other countries like Argentina and Brazil are expected to lower production for the season, mainly due to weather conditions that are not favourable. **Local:** The local maize market found support yesterday and traded higher for the day in most of the contract months currently listed for both white and yellow maize. In the latest monthly SAGIS figures released on Friday, the season's final stock was reported at 3,695 million tons, which is approximately 237% higher than the previous season's closing stock.

Soybeans: US Soybean futures finished 4-6 cents higher on Friday's trade for July and November contracts, this is due to favourable export trade conditions as China stepped back into the export market. In Argentina, the minister of Agriculture has lowered their latest old-crop soybean estimate from 37.2 MMT to 36.6 MMT, and it is off from the USDA at 39.0. In the political realm, Argentina may stop the gradual lowering of soybean export taxes in order to bail out the government's ballooning budget. The soybean tax was 35% and now currently stands at 27%. If tax policies are scaled down, then it is most likely that producers will sell more aggressively to front run any new enacted taxes. **Local:** The soybean July 18 contract closed lower than the previous trading day, however there was no change for the Sep 18 contract.

Wheat: US wheat contracts moved 1% or higher over night after the absorption of overseas production news. Price gains were mostly affected by weather related issues, Russia trimmed their range of the country's expected wheat production by 3 MMT to 69.5-77 MMT. This aided the CBOT trading higher on Friday morning. In the international context there are still large stock levels of wheat available and therefore the world prices remain fairly low. The international production for the season will however be watched closely as there are some weather concerns in some countries. **Local:** The local wheat market closed lower in most of the contract months which is listed currently.

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

Compiled by: Luan van der Walt and Ikageng Maluleke For any queries, contact Ikageng@grainsa.co.za
Thank you for the Maize Trust for partially funding this project

