

Grain SA's Morning Grain Market Commentary

GRAIN SA GRAAN SA	DATE	DATE				+ - LAST WEEK			+ - LAST MONTH			+ - LAST YEAR			
	2017/08/03	2017/08/02				2017/07/24			2017/07/03			2016/08/01			
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data			
DJIA-index	22016	52.32	↑	0.2%	21964	↑	2.0%	21580	↑	3.1%	21350	↑	19.6%	18405	
Goud (Spot)	1262.31	-3.79	↓	0.3%	1266.10	↑	0.7%	1253.80	↑	2.0%	1237.70	↓	6.5%	1349.81	
Brent \$/vat	51.88	-0.55	↓	1.0%	52.43	↑	7.8%	48.12	↑	6.7%	48.63	↑	22.5%	42.34	
1 € / US\$	1.1841	0.000	↑	0.0%	1.1837	↑	1.5%	1.1670	↑	3.8%	1.1408	↑	5.9%	1.1177	
1 US\$ / ZAR	13.26	-0.030	↓	0.2%	13.29	↑	2.9%	12.89	↑	1.6%	13.05	↓	4.7%	13.91	
Corn	R 1 905.37	-73	↓	3.7%	R 1 978.45	↑	*CBOT Corn Sep cents / bushel 08:00 today vs. CBOT Corn Sep 12:00 the previous day								
Wheat	R 2 241.22	-29	↓	1.3%	R 2 270.71	↑	* CBOT Wheat Sep cents / bushel 08:00 today vs. CBOT Wheat Sep 12:00 the previous day								
Soybeans	R 4 706.56	-64	↓	1.3%	R 4 770.92	↑	* 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)															
Corn Sep 17	365.00	-14.00	↓	3.7%	379.00	↓	-4%	379.75	↓	-6%	388.50	↑	1%	359.75	
Wheat Sep 17	460.00	-5.00	↓	1.1%	465.00	↓	-8%	499.25	↓	-17%	555.00	↓	-6%	491.50	
Soybeans Sep 17	966.00	-11.00	↓	1.1%	977.00	↓	-5%	1014.25	↓	-1%	973.50	↑	4%	924.50	
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)															
SORGHUM Dec '17	3170.00	0.00	↑	0.0%	3170.00	↑	0.0%	3170.00	↑	17.4%	2700.00	↓	8.1%	3450.00	
WMAZ Spot	1800.00	-6.00	↓	0.3%	1806.00	↓	1.9%	1835.00	↑	5.1%	1713.00	↓	5.9%	4080.00	
WMAZ Sept 17	1839.00	-4.00	↓	0.2%	1843.00	↓	1.5%	1867.00	↑	3.9%	1770.00	↓	5.2%	4107.00	
WMAZ Dec 17	1914.00	-5.00	↓	0.3%	1919.00	↓	1.2%	1937.00	↑	4.5%	1831.00	↓	3.6%	4125.00	
YMAZ Spot	1913.00	-6.00	↓	0.3%	1919.00	↓	1.3%	1938.00	↑	4.6%	1829.00	↓	9.1%	3141.00	
YMAZ Sept 17	1953.00	-1.00	↓	0.1%	1954.00	↓	1.0%	1973.00	↑	3.4%	1888.00	↓	8.6%	3181.00	
YMAZ Dec 17	2031.00	0.00	↑	0.0%	2031.00	↓	1.4%	2060.00	↑	4.0%	1952.00	↓	7.3%	3241.00	
SOY Spot	4640.00	-48.00	↓	1.0%	4688.00	↓	2.8%	4775.00	↑	4.4%	4444.00	↓	9.4%	6576.00	
SOY Sept 17	4697.00	-48.00	↓	1.0%	4745.00	↓	3.2%	4850.00	↑	3.2%	4552.00	↓	8.7%	6586.00	
SUN Spot	4692.00	-25.00	↓	0.5%	4717.00	↓	2.9%	4830.00	↑	1.5%	4623.00	↓	6.0%	5585.00	
SUN Sept 17	4766.00	-28.00	↓	0.6%	4794.00	↑	1.0%	4717.00	↑	12.1%	4250.00	↓	7.0%	5740.00	
WHEAT Spot	4530.00	-23.00	↓	0.5%	4553.00	↑	17.4%	3857.00	↑	18.2%	3834.00	↑	3.2%	4188.00	
WHEAT Dec 17	4041.00	16.00	↑	0.4%	4025.00	↑	5.0%	3850.00	↑	3.2%	3917.00	↓	4.2%	4216.00	

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

Market Report: This morning, the rand has started off the day at slightly stronger levels than yesterday midday, however, the rand weakened sharply on Tuesday, trading at a two-week low at the back of the credit ratings that are on the horizon. The possibility of a credit downgrade has kept the rand at lower levels this week, following warning by Moody's on the current political uncertainties that are weighing heavily on the economy as well as growing pressure on the local banks and treasury to implement expansionary policies. Continued pressure on the economy could open doors for bets against the local unit. On the commodities front, Brent crude oil prices are still trading higher above the US\$50 level as nationwide stockpiles fell for the 5th straight week yielding some support for the oil prices. However, oil is trading lower this morning as the market awaits oil report amid reports that the US inventory increased unexpectedly last week. At the time of writing, Brent crude oil was trading at around US\$51.89 per barrel.

Maize: US maize prices ended the day a few cents higher, but with the September and December contract staying below key moving averages. The gain in the maize market came a day after the December contract fell to a one-month low. This week, USDA reduced the maize crop conditions by 1 point at 61% good/excellent versus 62% of a week ago. On the weather outlook, beneficial showers are expected in southern Iowa with more cool temperatures expected through to next week which good aid in the crop development. Drier weather is expected in some parts of the maize production areas, particularly near Illinois border. Ahead of the USDA's weekly export sales report on Thursday, analysts expected the old-crop sales to be a little better than a week ago, while the new-crop sales may be similar or better than a week ago. **Local:** The domestic maize prices ended the day lower for both white and yellow maize. Both commodities showed of modest losses with white and yellow spot both settling lower by 0.3% at R1 800 and R1 913, respectively. The total weekly producer deliveries for both white and yellow maize to local silos for the week ending 28 July amounted to 806 246 bringing the total for the season to **12 391 364** tons, which is 151% higher than this time a year ago.

Soybeans: US soybean market also recovered from prior losses, finishing the day higher in modest gains. The November contract still remains above the 50-and 100-day moving averages, but below the 20-and 200-day moving averages. Soybean crop conditions are currently rated 59% good/excellent, a 2 point increase from the week prior. Weather conditions are largely favourable to the crop, with light rain expected this week and next week. It's important that rain in the area remains light as soybean harvest is underway south of Louisiana, which has reported a 2% harvest done as of Sunday. Elsewhere, oilseed markets followed higher as the Canada Canola finished higher, while Europe's rapeseed also recovered for the previous day's losses. The weekly export sales which will be reported today are expected to come in a little lower than a week ago for both the old- and new-crop. **Local:** South African soybean markets ended the day mostly lower for all contract months. Local soybean markets are mainly influenced by currency movements and international prices, but a modest gain in US soybeans was not enough to support the local market.

Wheat: US wheat markets were mixed yesterday as the winter wheat remained unchanged, while the spring wheat settled 4 cents higher. Spring wheat recovered from previous day losses. The technically driven selling drove winter wheat markets lower, with the CBOT SRW September contract dropping to its lowest since June 2015. On the weather outlook, the spring wheat areas may have a few showers this week but expected to be dry next week as the harvest advances for the crop. Cooler and dry temperatures should aid the wheat in the time that is currently leading up to the harvest. On the weekly export sales today, analysts expected sales to be down from last week's volume. **Local:** South African wheat market ended the day mixed, with the earlier contract months settling lower, while the later months managed to finish higher. Unchanged US wheat markets were not supportive of local markets, as the spot ended the day lower by 0.5% at R4 530. Light showers can be expected in the Western Cape where wheat is planted which could bring slight relief to the crop. On the weekly producer deliveries for the week ending 28 July, wheat delivered amounted to 878 tons, bringing the total for the season to 1.9 million tons.

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

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