



**Fundamental Report**  
**30 May 2019**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	14.7899	14.6272	-0.1627	-1.10%
Euro/Rand	16.5103	16.2883	-0.2220	-1.34%
GBPound/Rand	18.7021	18.4684	-0.2337	-1.25%
AusDollar/Rand	10.2343	10.1296	-0.1047	-1.02%
Euro/USDollar	1.1156	1.1136	-0.0020	-0.18%
GBPound/USDollar	1.2640	1.2629	-0.0011	-0.09%
AusDollar/USDollar	0.6916	0.6925	0.0009	0.13%
JpyYen/USDollar	109.2700	109.5900	0.3200	0.29%

BDLive - The JSE closed higher on Wednesday despite risk aversion on global markets, as equities in most countries came under pressure from fears over the intensifying US-China trade war.

China is strongly hinting that it may retaliate against the US through unconventional methods, such as restricting exports of rare-earth metals, while investors are also wary about a slowdown of the global economy.

Local diversified miners were under pressure as the oil price fell, but most indices on the JSE registered strong gains. The all share rose 1.04% to 54,997.3 points, and the top 40 1.11%. Banks added 2.8% and financials 1.8%. The resources index gave back 0.98%.

Naspers led the way with a 4.07% climb to R3,221.30, having earlier said that it would list its consumer internet business in Amsterdam in July.

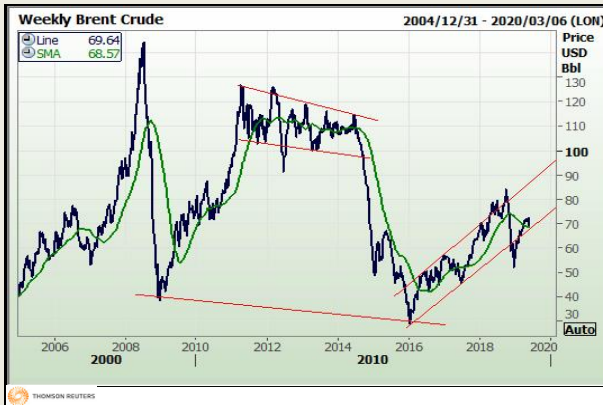


### Commodities

	Last	Value Change	% Change
Platinum	790.36	-1.14	-0.14%
Gold	1277.51	-1.69	-0.13%
Silver	14.36	-0.06	-0.38%
Copper	2.67	0.00	0.06%
Gasoil	609.00	3.25	0.53%
Brent Oil	69.64	0.19	0.27%

BDLive - Bengaluru — Gold prices gained on Wednesday as investor concerns grew about a global economic downturn driven by US-China trade tensions, which also sent US treasury yields lower. Spot gold rose 0.4% to \$1,283.94 an ounce by 12.49pm GMT, while US gold futures were up 0.5% at \$1,283.50 an ounce. "The 10-year US treasury yields have dropped to their lowest in [about] a year and a half right now, and that seems to be a function of the fears of a slowdown in the US economy and the trade war," Mitsubishi analyst Jonathan Butler said. Global equity markets sank and US treasury yields dipped to their lowest since September 2017 as investor sentiment soured over growing global growth worries.

Lower bond yields reduce the opportunity cost of holding non-interest bearing gold. Adding to the global anxiety, China's Communist Party newspaper warned on Wednesday that Beijing was ready to use rare earths to strike back at the US in the drawn-out dispute.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	49003.06	0.00	0.00%
ALSI	49172.00	0.00	0.00%
S&P 500	2802.39	-19.37	-0.69%
FTSE	7268.95	-83.65	-1.15%
CAC	5222.12	0.00	0.00%
DAX	11837.81	0.00	0.00%
Hang Seng	27235.71	-154.34	-0.57%



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# Corn / Maize Market

## Chicago Board of Trade

Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
JUL 2019	437.00	418.75	-1.50	-18.25	416.25	-2.50	-20.75
SEP 2019	446.00	428.00	-1.50	-18.00	425.25	-2.75	-20.75
DEC 2019	453.00	435.75	-1.25	-17.25	433.25	-2.50	-19.75
MAR 2010	461.00	444.50	-2.00	-16.50	442.25	-2.25	-18.75
MAY 2010	463.00	447.00	-2.25	-16.00	444.75	-2.25	-18.25

FarmFutures - Corn futures reversed lower today, fading overnight highs into the morning open when the dam broke. July filled a gap created overnight after trading through the objective created by last week's measuring gap.

July closed off 1.5 cents to \$4.1875 after topping out at \$4.38. December was down 1.25 cents to \$4.28, down from the session high at \$4.54.

Farmer hedging likely was one cause for the sell off. Weaker bids were noted at some processors and even along parts of the Ohio River that had seen strength because terminals are still able to move corn down to the Gulf. That route bypasses St. Louis, where the harbor is expected to be closed until at least mid-June, with flood waters now forecast to hit 46 feet, less than three feet from the record set in 1993.

Another sign of potential new crop farmer selling came in deferreds, where July 2020 broke more than December 2019. Elevators sometime hedge new crop sales from farmers in deferred futures during times of high risk. If there is a short crop those deferreds tend to lose less than contracts for delivery sooner.

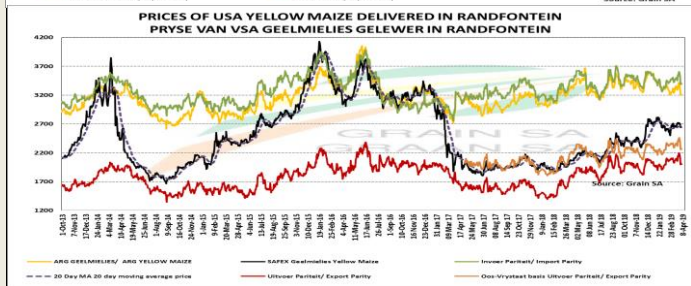
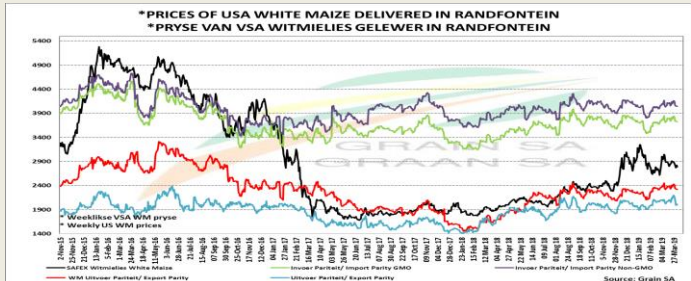
And make no mistake, potential for lower production is very real. Farm Futures estimates production potential is already 1.8 billion bushels lower than USDA's initial monthly forecast May 10. While summer weather will ultimately be the determining factor, odds for a seventh straight year of above average yields are dimming.

Initial volume today was put at 1,008,4044 compared with final volume Tuesday of 926,753

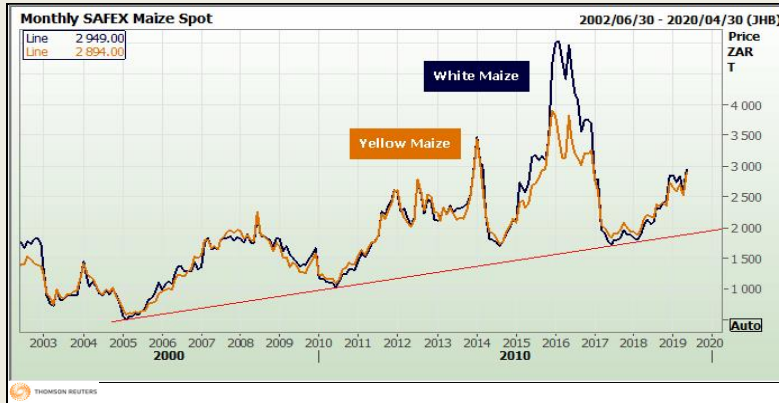


## South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 2 936.00	36%	R -147.48	R 2 788.52
Sep 2019	R 2 990.00	25%	R -148.05	R 2 841.95
Dec 2019	R 3 072.00	25%	R -142.74	R 2 929.26
Jul 2019	R 2 936.00	36%	R -147.48	R 2 788.52
<b>Yellow Maize Future</b>				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 2 886.00	25%	R -147.48	R 2 738.52
Sep 2019	R 2 942.00	17%	R -148.05	R 2 793.95
Dec 2019	R 3 005.00	17.25%	R -142.74	R 2 862.26
Jul 2019	R 2 886.00	25%	R -147.48	R 2 738.52



The local Maize market traded higher yesterday. The local Jul'19 WMAZ contract ended R100.00 up and Jul'19 YMAZ closed R100.00 higher. The Sep'19 WMAZ closed higher by R100.00 and Sep'19 YMAZ ended R100.00 up. The parity move for the Jul'19 Maize contract for yesterday was R150.00 negative.



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## Wheat Market

### Chicago Board of Trade and Kansas Board of Trade

CBOT Wheat							KBOT Wheat								
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm	Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
JUL 2019	521.00	490.50	-14.25	-30.50	488.50	-2.00	-32.50	JUL 2019	481.00	453.25	-7.50	-27.75	449.75	-3.50	-31.25
SEP 2019	528.00	498.75	-13.25	-29.25	496.75	-2.00	-31.25	SEP 2019	491.00	464.25	-7.25	-26.75	460.25	-4.00	-30.75
DEC 2019	539.00	512.00	-11.75	-27.00	510.00	-2.00	-29.00	DEC 2019	510.00	485.00	-6.75	-25.00	480.75	-4.25	-29.25
MAR 2010	549.00	525.00	-10.25	-24.00	521.75	-3.25	-27.25	MAR 2010	530.00	505.50	-6.25	-24.50	501.50	-4.00	-28.50
MAY 2010	552.00	530.50	-9.25	-21.50	528.75	-1.75	-23.25	MAY 2010	540.00	517.50	-6.50	-22.50	0.00	-517.50	-540.00



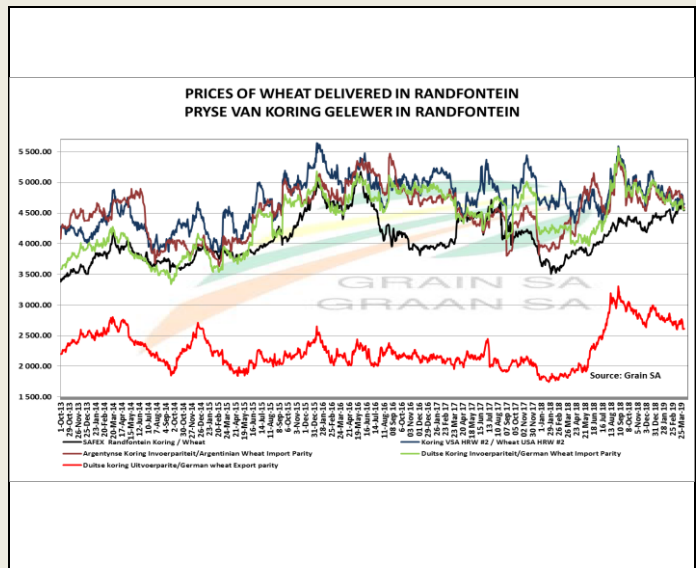
FarmFutures - Wheat prices ended lower, wiping out overnight gaps on daily charts. All three markets posted bearish reversals from new rally highs, with soft red winter wheat and Minneapolis posting outside day lower patterns as well. July soft red winter wheat closed down 14.25 cents at \$4.905. Initial volume of 203,058 compared to 191,181 on Tuesday. HRW July was down 7.5 cents to settle at \$4.5325. Initial volume rose from 79,718 yesterday to 91,373 today.

Minneapolis July settled down 8.75 cents at \$5.4875. Heavy rains across the winter wheat growing region finally showed up in ratings for the crop put out Tuesday by USDA, the first slump all year. While the crop remains in good shape, yield potential slipped a half bushel per acre nationwide, with declines seen from Indiana to Colorado and into the Pacific Northwest. Spring wheat seeding improved to 84%, up 14% from the prior week but still behind by 7%. All six major producing states are behind average.

Still, the stronger dealer tends to be especially damaging for wheat, which must compete with grain priced in euros, rubles, pesos and more. So far there aren't any major new weather problems emerging. Drier patterns are being noted in Argentina and Australia may have to cope with El Nino for another season. Crops in Europe appear mostly in good shape from France to the Black Sea as harvest approaches.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 4 505.00	12%	R -205.82	R 4 299.18
Sep 2019	R 4 485.00	0%	R -199.52	R 4 285.48
Dec 2019	R 4 400.00	12.5%	R -188.09	R 4 211.91
Jul 2019	R 4 505.00	12%	R -205.82	R 4 299.18
<b>Cape Wheat</b>				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019				
Dec 2019				
Jul 2019				



The local Weat market closed higher yesterday. The local Jul'19 Weat contract closed R39.00 up and Sep'19 Weat closed R37.00 higher. The parity move for the Jul'19 Weat contract for yesterday was R208.00 negative.



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## Oil Seed Market

### Chicago Board of Trade

CBOT Soybean Seed						
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session
JUL 2019	891.00	872.00	16.00	-19.00	867.75	-4.25
AUG 2019	897.00	878.50	15.75	-18.50	874.00	-4.50
SEP 2019	904.00	885.50	16.00	-18.50	881.25	-4.25
NOV 2019	917.00	898.50	16.00	-18.50	894.00	-4.50
JAN 2010	930.00	909.75	15.25	-20.25	904.75	-5.00

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
JUL 2019	319	316.70
AUG 2019	320.1	317.60
SEP 2019	321.7	319.40
OCT 2019	323.1	321.00
DEC 2019	326.2	324.00

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
JUL 2019	27.73	27.66
AUG 2019	27.84	27.78
SEP 2019	27.95	27.87
OCT 2019	28.08	28.15
DEC 2019	28.38	28.30



FarmFutures - Soybeans closed off session highs today but were still able to muster double digit gains despite losses in other markets. July held on to a potential measuring gap on its daily chart that projects to around \$9.07. The same pattern for November is up to \$9.5875, though new crop was unable to hold its first move above \$9 in more than a month.

July ended up 16 cents at \$8.72 with November also gaining 16 cents to \$8.985. Initial volume today was 380,039 compared to 269,510 yesterday.

Record slow planting progress reported Tuesday by USDA got the party started overnight. USDA put planting at 29% nationwide this week, up 10% from the previous week, but 37% behind average. Soybean emergence is 11%, 24% behind normal. Last week's decline knocked another three-quarters of a bushel off yield potential, bring the total loss to nearly three bushels per acre. Acreage remains difficult to predict, since final planting dates for soybeans extend well into June.

Also unclear is aid farmers may get due to floods and tariffs. It could late July or August before full details of the next MFP is known. And Senate sources confirmed the disaster bill awaiting passage in the House contains \$3 billion in aid for agriculture that could be used at the Ag Secretary's discretion to increase prevent plant payments for farmers who don't qualify for the MFP-II. USDA deferred to Congress until the bill becomes law, keeping everything clear as the floodwater many farmers are dealing with already.

### South African Futures Exchange

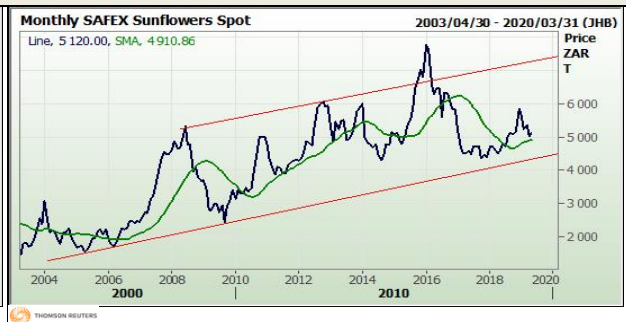
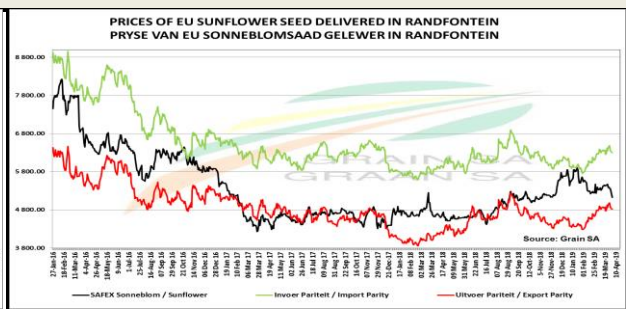
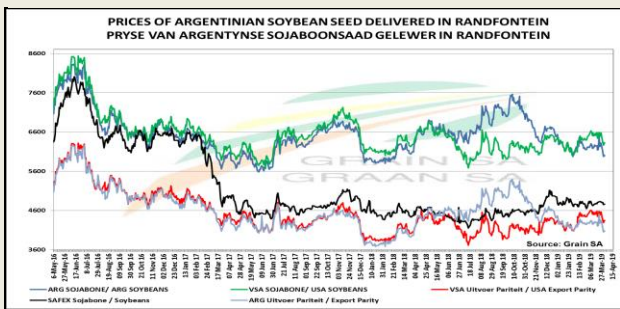
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 5 000.00	15%	R -178.22	R 4 821.78
Sep 2019	R 5 091.00	0%	R -176.31	R 4 914.69
Dec 2019	R 5 214.00	14%		R 5 214.00
Jul 2019	R 5 000.00	15%	R -178.22	R 4 821.78

Sunflower Seeds Future			
	MTM	Vols	
Dec 2018			
Mar 2019			
May 2019			
Jul 2019	R 5 185.00	17.25%	
Sep 2019	R 5 270.00	0%	
Dec 2019	R 5 444.00	16%	
Jul 2019	R 5 185.00	17.25%	



The local Soya market traded higher yesterday. The local Jul'19 Soya contract ended R150.00 up and Sep'19 Soya closed R150.00 higher. The parity move for the Jul'19 Soya contract for yesterday was R182.00 negative.

The local Suns market closed higher yesterday. The local Jul'19 Suns contract closed R150.00 up and Sep'19 Suns closed R100.00 higher.



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