



Fundamental Report
31 May 2019

Financial Markets

Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	14.5856	14.8025	0.2169	1.49%
Euro/Rand	16.2538	16.4844	0.2306	1.42%
GBPound/Rand	18.4274	18.6722	0.2448	1.33%
AusDollar/Rand	10.1128	10.2358	0.1230	1.22%
Euro/USDollar	1.1142	1.1130	-0.0012	-0.11%
GBPound/USDollar	1.2634	1.2610	-0.0024	-0.19%
AusDollar/USDollar	0.6933	0.6912	-0.0021	-0.30%
JpyYen/USDollar	109.6900	109.1700	-0.5200	-0.47%

BDLive - The JSE closed higher on Thursday, led by banks and retailers, as global equities found buyers after their recent sell-off.

The mood soured on Wednesday on talk of China upping the ante in the US-China trade war through restrictions on exports of rare-earth metals. Despite support for risk assets on Thursday, great concern about the implications of the US-China trade war remains, said Oanda analyst Craig Erlam in a note.

Domestic news was somewhat favourable as well, and the rand has firmed slightly since President Cyril Ramaphosa announced his new cabinet late on Wednesday night. Analysts have welcomed both a reduction in the size of the executive, as well as the retention of some key figures, notably Tito Mboweni as finance minister.



Commodities

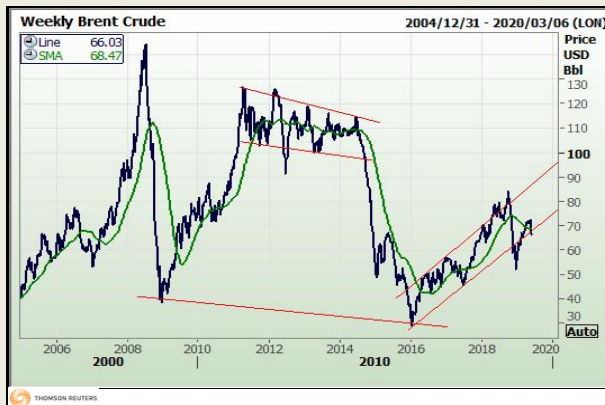
	Last	Value Change	% Change
Platinum	787.59	-3.91	-0.50%
Gold	1291.42	2.92	0.23%
Silver	14.51	-0.01	-0.04%
Copper	2.65	0.00	-0.02%
Gasoil	588.75	-9.25	-1.57%
Brent Oil	66.03	-0.84	-1.27%

BDLive - Bengaluru — Gold prices inched down on Thursday as bonds rallied and the dollar hovered near a two-year high, negating the support from an increasingly bitter China-US trade dispute that rekindled doubts about global economic growth.

Spot gold was down 0.1% at \$1,277.71/oz, as of 3.12am GMT. US gold futures edged 0.3% lower to \$1,276.70/oz.

"Investors look like they prefer US Treasuries as a safe haven for now, evident by the inverted US yield curve," Howie Lee, an economist at OCBC Bank, said.

"A strong dollar is also likely impeding big players such as China and India from consuming too much [gold]."



Financials

	Current Bid	Value Change	% Change
JSE TOP 40	49666.85	0.00	0.00%
ALSI	49842.00	0.00	0.00%
S&P 500	2783.02	5.84	0.21%
FTSE	7185.30	32.86	0.46%
CAC	5248.91	0.00	0.00%
DAX	11902.08	0.00	0.00%
Hang Seng	27114.88	-59.47	-0.22%



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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	418.00	436.25	17.50	18.25	431.00	-5.25	13.00
SEP 2019	427.00	445.25	17.25	18.25	439.75	-5.50	12.75
DEC 2019	435.00	452.25	16.50	17.25	447.25	-5.00	12.25
MAR 2010	444.00	459.25	14.75	15.25	454.50	-4.75	10.50
MAY 2010	446.00	460.50	13.50	14.50	456.25	-4.25	10.25

FarmFutures - Corn shook off the cobwebs from yesterday's bearish trade, bouncing back to nearly top Wednesday's highs on both old and new crop charts.

July futures closed up 17.5 cents today at \$4.3625, with December gaining 16.5 to \$4.5225. Initial volume today was put at 678,716, compared with 1,041,790 yesterday.

Discussion is rampant in the trade about how many acres farmers will idle by taking prevent plant coverage. Also unknown is how the second round of tariff aid payments could work into the calculus. While my analysis shows the average county payment will be around \$47 an acre, amounts could vary widely and may not be set for a month or more. For details, read my report and check out the interactive map for an estimate for your county.

Corn basis weakened yesterday as farmer selling picked up, with bids slackening on noticeably over parts of the western Corn Belt. Nearby basis at the Gulf eased slightly today but was up sharply yesterday as supplies remain constrained by lack of movement down the waterway. The number of barges unloading at the Gulf last week hit its lowest level in more than a year.

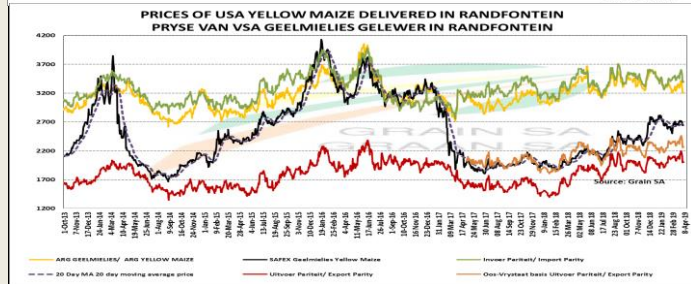
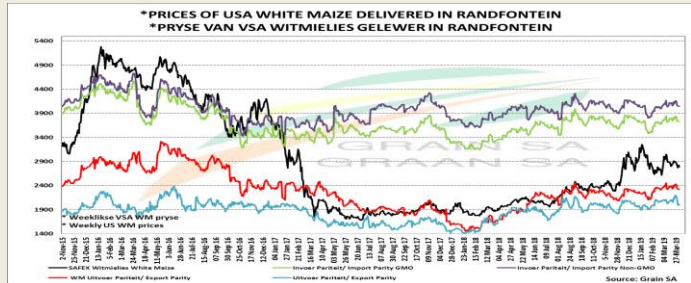
Export sales out tomorrow for last week are expected to run close to last week's total near 25 million bushels. That would be about 4 million shy of the weekly rate needed through Augusts to reach USDA's forecast for the 2018 crop.

Ethanol production fell last week as plant margins faced pressure from higher corn costs. The biofuel market appears to be responding, however, because stocks dropped last week as the summer driving season kicked into gear and demand for blending improves. Ethanol futures were up a nickel a gallon today despite the retreat in other parts of the petroleum market.

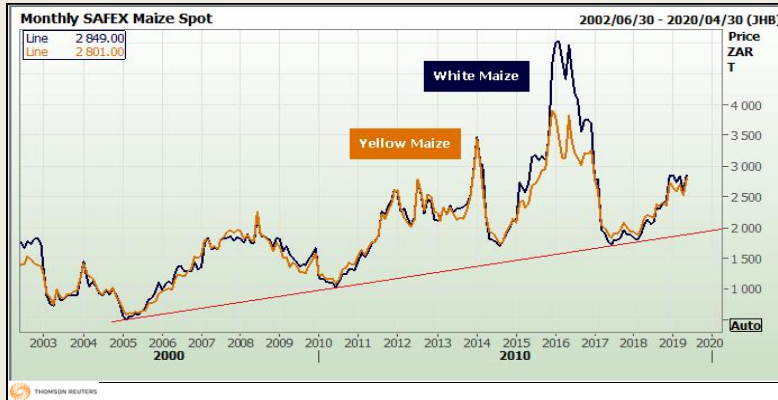


South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
White Maize Future				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 2 880.00	37%	R 111.45	R 2 991.45
Sep 2019	R 2 934.00	25%	R 110.76	R 3 044.76
Dec 2019	R 3 017.00	25%	R 108.53	R 3 125.53
Jul 2019	R 2 880.00	37%	R 111.45	R 2 991.45
Yellow Maize Future				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 2 837.00	28%	R 111.45	R 2 948.45
Sep 2019	R 2 893.00	17.5%	R 110.76	R 3 003.76
Dec 2019	R 2 953.00	17.25%	R 108.53	R 3 061.53
Jul 2019	R 2 837.00	28%	R 111.45	R 2 948.45



The local Maize market traded lower yesterday. The local Jul'19 WMAZ contract ended R56.00 down and Jul'19 YMAZ closed R49.00 lower. The Sep'19 WMAZ closed lower by R56.00 and Sep'19 YMAZ ended R49.00 down. The parity move for the Jul'19 Maize contract for yesterday was R117.00 positive.

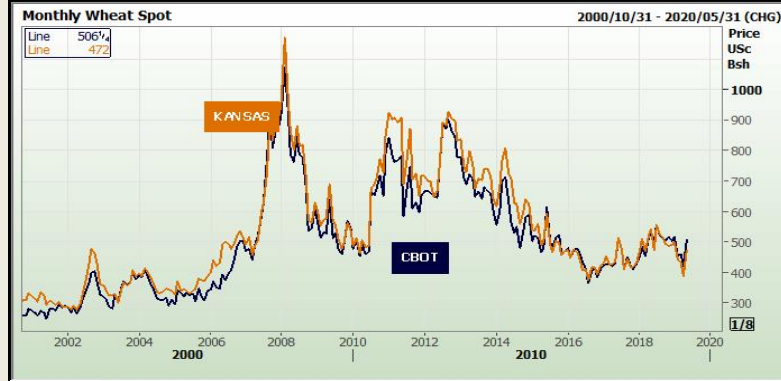


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Wheat Market

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	486.00	514.50	24.00	28.50	506.25	-8.25	20.25	JUL 2019	449.00	479.00	25.75	30.00	472.00	-7.00	23.00
SEP 2019	494.00	522.25	23.50	28.25	513.50	-8.75	19.50	SEP 2019	461.00	490.75	26.50	29.75	483.75	-7.00	22.75
DEC 2019	507.00	535.50	23.50	28.50	526.25	-9.25	19.25	DEC 2019	481.00	511.50	26.50	30.50	504.25	-7.25	23.25
MAR 2010	520.00	548.50	23.50	28.50	539.25	-9.25	19.25	MAR 2010	501.00	531.75	26.25	30.75	524.00	-7.75	23.00
MAY 2010	525.00	553.75	23.25	28.75	544.75	-9.00	19.75	MAY 2010	515.00	542.50	25.00	27.50	537.25	-5.25	22.25



FarmFutures - Wheat prices led the market with gains today, paced by winter wheat contracts that reversed sharply higher following yesterday's stumble.

Rains continue to fall on areas of the eastern Plains where fields are suffering, according to the latest Vegetation Health Index maps, which also showed deterioration across soft red winter wheat states.

Soft red winter wheat July closed up 24 cents at \$5.145 today on initial volume of 183,635, compared with 213,074 yesterday.

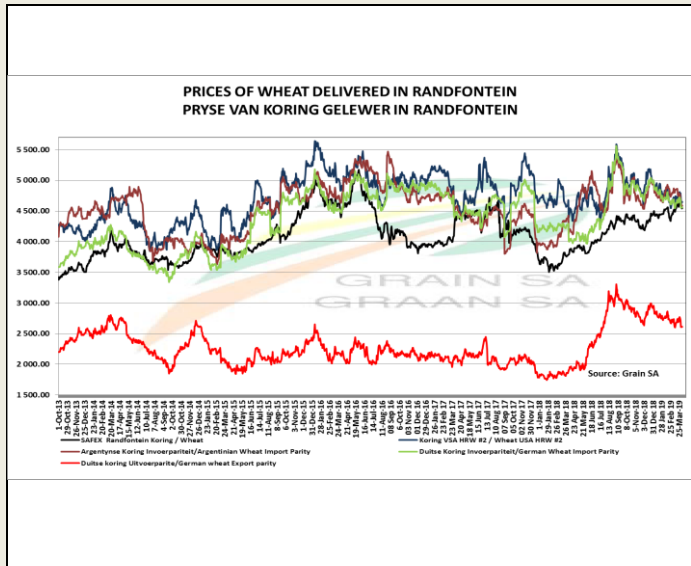
HRW July gained 25.75 cents to \$4.79. Volume was 83,230, down from 94,822 Wednesday.

Minneapolis July was 14.75 higher at \$5.435 on volume of 9,001, down from 13,818 yesterday.

Most of the volume in tomorrow's export update should be for new crop, with the 2018 marketing year set to end Friday. Final export numbers won't be known for a couple of months but the total so far looks close to USDA's forecast.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
Bread Milling Wheat				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 4 475.00	12%	R 148.87	R 4 623.87
Sep 2019	R 4 467.00	0%	R 145.43	R 4 612.43
Dec 2019	R 4 400.00	12.5%	R 145.11	R 4 545.11
Jul 2019	R 4 475.00	12%	R 148.87	R 4 623.87
Cape Wheat				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019				
Dec 2019				
Jul 2019				



The local Wheat market closed lower yesterday. The local Jul'19 Wheat contract closed R30.00 down and Sep'19 Wheat closed R18.00 lower. The parity move for the Jul'19 Wheat contract for yesterday was R151.00 positive.



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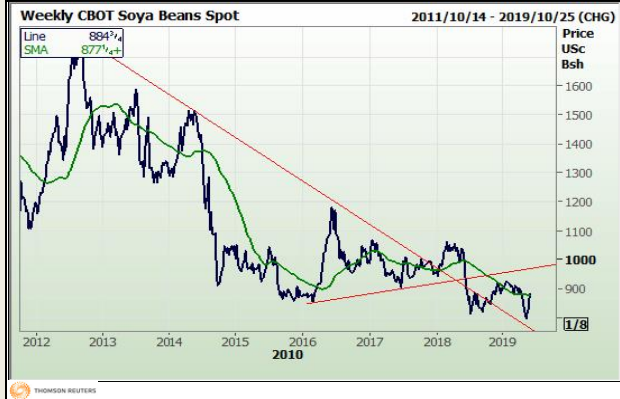
Oil Seed Market

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	Overnight Change from 12pm
JUL 2019	869.00	889.00	17.00	20.00	884.75	-4.25	15.75
AUG 2019	875.00	895.50	17.00	20.50	891.50	-4.00	16.50
SEP 2019	882.00	902.25	16.75	20.25	898.75	-3.50	16.75
NOV 2019	895.00	915.50	17.00	20.50	911.50	-4.00	16.50
JAN 2010	907.00	926.50	16.75	19.50	922.00	-4.50	15.00

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
JUL 2019	327.4	324.60
AUG 2019	328.7	326.00
SEP 2019	330.2	327.40
OCT 2019	331.8	328.50
DEC 2019	334.9	332.10

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
JUL 2019	27.78	27.68
AUG 2019	27.9	27.80
SEP 2019	28.01	27.96
OCT 2019	28.15	28.06
DEC 2019	28.46	28.37



FarmFutures - Soybeans extended their streak for a fourth day of gains, taking both old and new crop contracts well above 50-day moving averages. July held yesterday's gap low in the first half hour of trading in Europe and never looked back. July futures gained 17 cents today to settle at \$8.89. November was also 17 higher at \$9.155. Initial volume of 241,110 contracts compares to the 393,158 traded yesterday.

Questions about acreage remain a wild card. Hopes for a second round of MFP payments might convince some growers to switch rather than take prevent plant on corn.

Traders will be watching tomorrow's export sales tally from last week to see if China has halted buying from the U.S. again, as reported by Bloomberg this morning. Actual new old crop bookings don't have to be big to keep on the pace forecast by USDA for the 2018 crop. But shipments remain slow because China is sitting on a huge book of unshipped sales, around 250 million bushels in all.

Other buyers may be willing to take delivery of those cargoes if concerns about falling soybean acreage start to mount. USDA soybeans out of the Gulf are trading at a 6% discount to Brazil, before freight, which is often cheaper too.

Crush margins for U.S. processors are also on the rise, hitting their highest close since harvest.

South African Futures Exchange

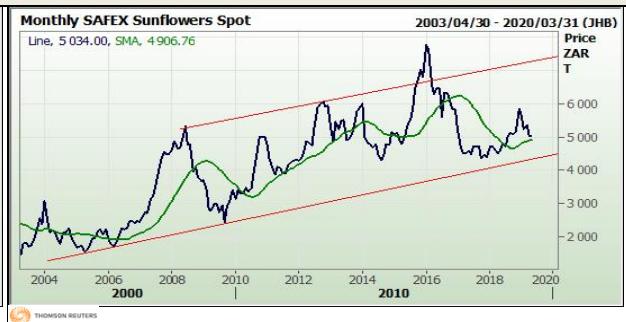
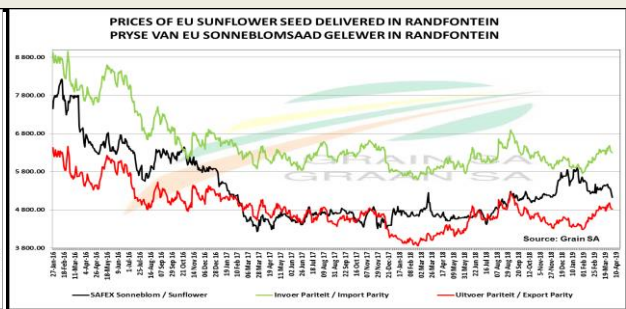
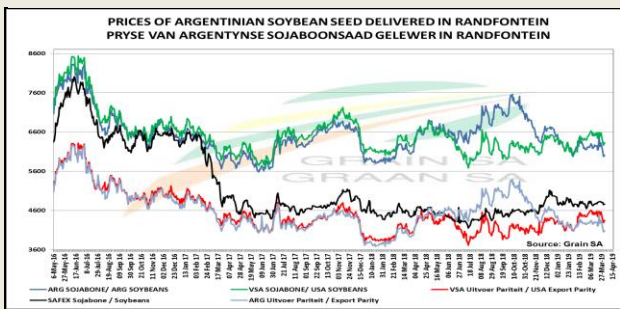
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 5 072.00	15%	R 154.92	R 5 226.92
Sep 2019	R 5 165.00	0%	R 161.40	R 5 326.40
Dec 2019	R 5 270.00	14%	R 5 270.00	
Jul 2019	R 5 072.00	15%	R 154.92	R 5 226.92

Sunflower Seeds Future		
	MTM	Vols
Dec 2018		
Mar 2019		
May 2019		
Jul 2019	R 5 110.00	17.25%
Sep 2019	R 5 249.00	0%
Dec 2019	R 5 365.00	16%
Jul 2019	R 5 110.00	17.25%



The local Soya market traded higher yesterday. The local Jul'19 Soya contract ended R72.00 up and Sep'19 Soya closed R74.00 higher. The parity move for the Jul'19 Soya contract for yesterday was R162.00 positive.

The local Suns market closed lower yesterday. The local Jul'19 Suns contract closed R75.00 down and Sep'19 Suns closed R21.00 lower.



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