



Fundamental Report
03 June 2019

Financial Markets

Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	14.7785	14.5545	-0.2240	-1.52%
Euro/Rand	16.4786	16.2818	-0.1968	-1.19%
GBPound/Rand	18.5962	18.4094	-0.1868	-1.00%
AusDollar/Rand	10.2160	10.1229	-0.0931	-0.91%
Euro/USDollar	1.1147	1.1185	0.0038	0.34%
GBPound/USDollar	1.2580	1.2652	0.0072	0.57%
AusDollar/USDollar	0.6912	0.6954	0.0042	0.61%
JpyYen/USDollar	108.7300	108.1300	-0.6000	-0.55%

BDLive - The JSE closed a little lower on Friday, tracking weak global markets, after the White House threatened to impose tariffs on Mexico in response to illegal migration from that country.

On Thursday, US President Donald Trump said he would impose a 5% tariff on Mexican goods as of June 10 2019. The US said in a statement that should Mexico not address illegal immigration, the tariffs will increase to 10% in July, 15% in August, 20% in September, and 25% in October.

This rattled global markets while the US-China trade war continues to weigh on sentiment, as investors worry about the long-term effect the conflict will have on the global economy. "An actual global trade war would likely drive SA's economy into a recession more severe than the technical ones experienced at times in the current decade," said Investec economist Annabel Bishop. "The global economy would also not likely recover quickly as increased protectionism hinders economic growth. A resultant weakening in SA's growth would be likely, which would aid a credit-rating downgrade from Moody's."



Commodities

	Last	Value Change	% Change
Platinum	798.27	6.77	0.85%
Gold	1311.12	5.87	0.45%
Silver	14.64	0.07	0.48%
Copper	2.64	0.00	0.06%
Gasoil	564.00	-13.50	-2.39%
Brent Oil	61.41	-0.58	-0.94%

BDLive - Gold prices rose on Friday, heading towards their first monthly gain since January on increased safe-haven demand, after US President Donald Trump vowed to levy tariffs on all Mexican imports, ratcheting up concerns of a global economic slowdown. The new threat of tariffs on Mexico, coupled with a string of soggy economic data from the US in May and the long-drawn China-US trade war, also translated into increased bets that the US Federal Reserve could cut interest rates in 2019. Spot gold was up 0.2% at \$1,290.68/oz at 3.22am GMT. It has risen about 0.6% so far in May.

The metal is also on track for a second consecutive weekly gain, up about 0.4% over the week.

US gold futures rose 0.3% to \$1,290.50/oz. An infuriated Trump on Thursday vowed to impose a tariff on all goods coming from Mexico starting at 5% and ratcheting higher until the flow of illegal immigrants into the US ceases.



Financials

	Current Bid	Value Change	% Change
JSE TOP 40	49587.47	0.00	0.00%
ALSI	49679.00	0.00	0.00%
S&P 500	2788.86	-36.80	-1.32%
FTSE	7218.16	-56.45	-0.78%
CAC	5207.63	0.00	0.00%
DAX	11726.84	0.00	0.00%
Hang Seng	26901.09	-83.18	-0.31%



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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	431.00	427.00	-9.25	-4.00	427.00	0.00	-4.00
SEP 2019	440.00	436.00	-9.25	-4.00	436.00	0.00	-4.00
DEC 2019	448.00	443.75	-8.50	-4.25	444.25	0.50	-3.75
MAR 2010	455.00	451.50	-7.75	-3.50	452.75	1.25	-2.25
MAY 2010	457.00	452.75	-7.75	-4.25	454.50	1.75	-2.50

FarmFutures - Corn prices closed with losses today, posting bearish reversals lower on old and new crop charts. Despite the selling, futures ended the week sharply higher and well above gaps created after Memorial Day.

While farmers in Iowa and much of Wisconsin and Minnesota watched final corn planting dates pass for full crop insurance coverage today, demand news was also making headlines. The Trump Administration as predicted waived the ban against year-round usage of E15, at the same time also increasing market transparency for RINs, a move sought by the petroleum industry. Both moves could trigger legal challenges which could tie up the plan in court for the peak summer driving season. The ethanol industry badly needs a shot in the arm as it copes with poor margins this year. Without a big summer, corn used to make the fuel could be even less than USDA forecasts, after cutting its estimate already several times. If some industry estimates are correct for 1.3 billion gallons of additional demand in the next five years, the shift could boost annual corn usage by about 450 million bushels a year under current efficiency rates – assuming increased production of DDGS doesn't deflate demand for corn feeding. The latest trade news obscured what was actually a decent weekly export sales report this morning for corn. Net new bookings improved to 38.7 million bushels, all but 3 million of it for old crop. The total easily beat the rate needed through the end of the marketing year Aug. 31 to reach USDA's current forecast for the 2018 crop. Mexico accounts for 30% of U.S. corn sales and shipments so far this year. Other countries have eyed that market, and Brazil looks like it will have a huge crop to sell in coming months.

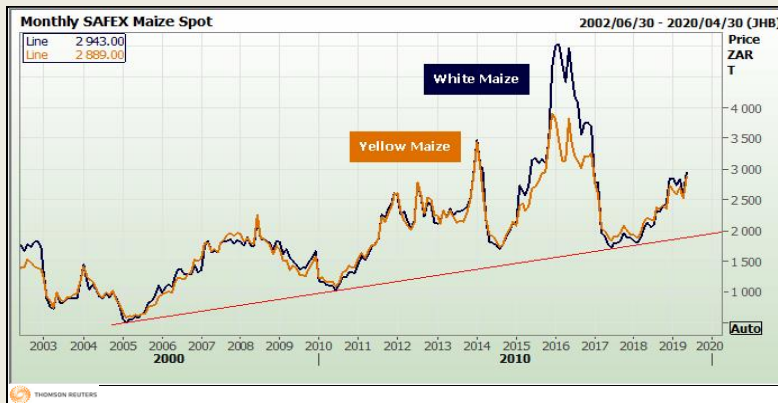
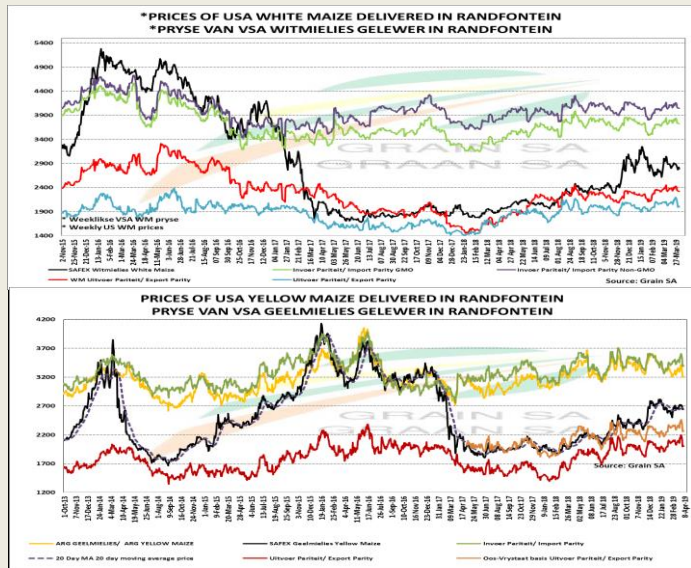
Shipments were also good last week, despite all the problems on the river system. Lack of barge movement is giving a boost to a less frequently used waterway. Corn bids on Toledo and Burns Harbor, Indiana jumped while basis at the Gulf eased and processors also softened.



South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
White Maize Future				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 2 973.00	38.5%	R -60.93	R 2 912.07
Sep 2019	R 3 023.00	25%	R -61.72	R 2 961.28
Dec 2019	R 3 105.00	25%	R -60.99	R 3 044.01
Jul 2019	R 2 973.00	38.5%	R -60.93	R 2 912.07
Yellow Maize Future				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 2 927.00	28%	R -60.93	R 2 866.07
Sep 2019	R 2 984.00	18.5%	R -61.72	R 2 922.28
Dec 2019	R 3 049.00	18%	R -60.99	R 2 988.01
Jul 2019	R 2 927.00	28%	R -60.93	R 2 866.07

The local Maize market traded higher yesterday. The local Jul'19 WMAZ contract ended R93.00 up and Jul'19 YMAZ closed R90.00 higher. The Sep'19 WMAZ closed higher by R89.00 and Sep'19 YMAZ ended R91.00 up. The parity move for the Jul'19 Maize contract for yesterday was R63.00 negative.

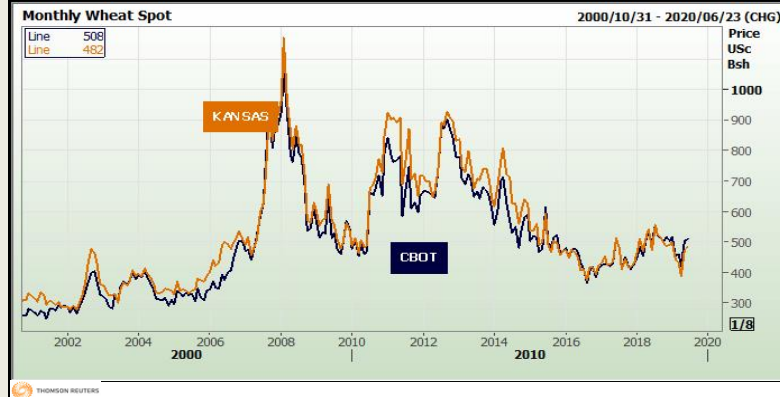


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Wheat Market

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	506.00	503.00	-11.50	-3.00	508.00	5.00	2.00	JUL 2019	473.00	473.00	-6.00	0.00	482.00	9.00	9.00
SEP 2019	514.00	509.75	-12.50	-4.25	514.75	5.00	0.75	SEP 2019	486.00	484.75	-6.00	-1.25	491.75	7.00	5.75
DEC 2019	527.00	523.25	-12.25	-3.75	527.00	3.75	0.00	DEC 2019	506.00	505.25	-6.25	-0.75	511.75	6.50	5.75
MAR 2010	540.00	536.25	-12.25	-3.75	542.00	5.75	2.00	MAR 2010	526.00	524.50	-7.25	-1.50	532.00	7.50	6.00
MAY 2010	544.00	541.50	-12.25	-2.50	545.00	3.50	1.00	MAY 2010	542.00	534.50	-8.00	-7.50	540.75	6.25	-1.25



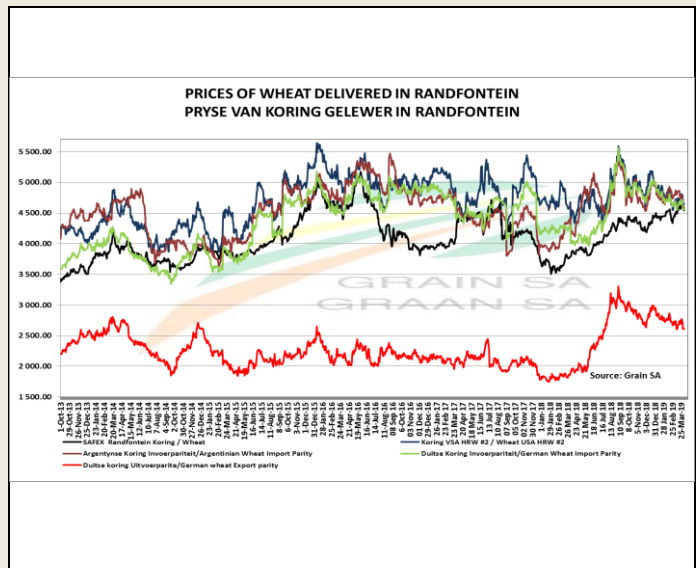
FarmFutures - Wheat prices also dropped despite a day of back and forth trading. In the end bears won out, leaving reversals on charts in all three markets. Weather concerns spurred buying that took prices higher for a time. Heavy rains headed to parts of the central and southern Plains over the next week and harvest is already underway in Texas.

Today marks the end of the 2018 crop marketing year for wheat. Total sales won't be known for a while but the latest numbers from last week of 20.8 million bushels easily beat both trade expectations and the previous week's total. Most of the sales were for new crop, with total 2019 crop purchases starting the year at a three-year high. However, there's no correlation between a good new crop book now and how sales finally turn out for the marketing year. The only major trouble spot world wide remains Australia. Prices settled sharply higher there today on forecasts for three more months of El Niño-related drought.

July soft red winter wheat was down 11.5 to \$5.03 on initial volume of 184,586, compared to 189,805 Thursday. July HRW fell 6 cents to closed at \$4.73. Initial volume was 113,742 up from 85,625 yesterday. Minneapolis July dropped 11.5 cents to \$5.22. Funds covered 13,552 contracts of their net short position but likely still have a bearish slant on SRW.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
Bread Milling Wheat				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 4 552.00	12%	R -30.95	R 4 521.05
Sep 2019	R 4 488.00	0%	R -38.29	R 4 449.71
Dec 2019	R 4 435.00	12.5%	R -43.38	R 4 391.62
Jul 2019	R 4 552.00	12%	R -30.95	R 4 521.05
Cape Wheat				
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 R77.00 up and Sep'19 Weat closed R21.00 higher. The parity move for the Jul'19 Weat contract for yesterday was R37.00 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	885.00	877.75	-11.25	-7.25	883.50	5.75
AUG 2019	891.00	884.50	-11.00	-6.50	890.25	5.75
SEP 2019	898.00	891.75	-10.50	-6.25	896.00	4.25
NOV 2019	911.00	904.75	-10.75	-6.25	910.25	5.50
JAN 2010	922.00	916.00	-10.50	-6.00	921.25	5.25

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
JUL 2019	321.3	324.50
AUG 2019	322.7	325.70
SEP 2019	324.2	327.20
OCT 2019	325.9	328.30
DEC 2019	329.2	331.90

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
JUL 2019	27.59	27.46
AUG 2019	27.72	27.58
SEP 2019	27.85	27.71
OCT 2019	27.99	27.85
DEC 2019	28.31	28.18



FarmFutures - Soybeans ended down today, with old and new crop contracts reversing lower. All the tariff news was a bearish obstacle the market couldn't overcome though futures held Tuesday's Memorial Day gaps.

Adding to the uncertainty was an outlook for acreage that's proving difficult to predict. Corn growers wondering if they should take prevent plant or switch to soybeans don't know much about USDA's next round of tariff compensation, amid speculation those taking an insurance payment could receive additional aide. Yield drag is also cutting soybean production potential, though weather could improve over the next week or two in some areas. Soybean export sales reported today of 17.6 million bushels for last week in line with trade guesses. China added 5 million bushels in new deals, despite reports yesterday it was halting purchases. Another big question for the market is whether China will take delivery on its large book of unshipped sales, which is up to 255 million bushels. Soybean basis at the Gulf was flat today. As with corn, bids firmed in Toledo and also gained at processors enjoying good crush margins. USDA reports crush for April on Monday, with the total likely to come in around 170 million bushels. July futures lost 11.25 cents today to \$8.7775 with November down 10.75 to \$9.0475. Initial volume of 205,775 compared to 255,096 done Thursday. The commitment of traders out after the closed showed funds covering 22,240 contracts of their bearish bets, but remaining net short

South African Futures Exchange

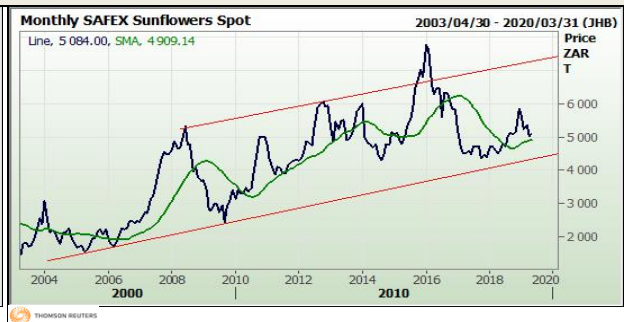
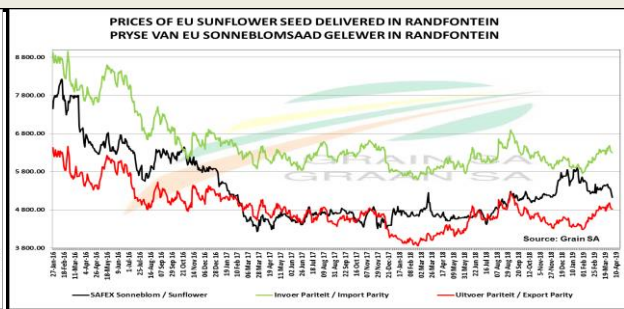
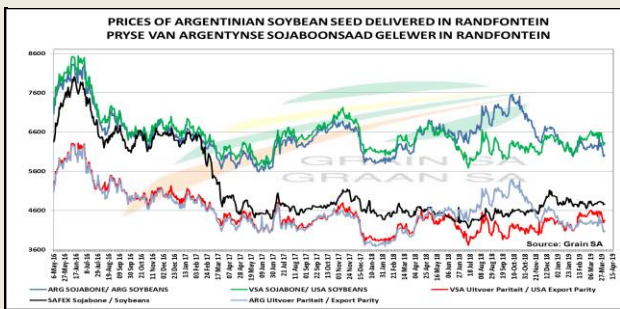
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 5 222.00	15%	R -80.86	R 5 141.14
Sep 2019	R 5 314.00	0%	R -84.61	R 5 229.39
Dec 2019	R 5 420.00	14%		R 5 420.00
Jul 2019	R 5 222.00	15%	R -80.86	R 5 141.14

Sunflower Seeds Future			
	MTM	Vols	
Dec 2018			
Mar 2019			
May 2019			
Jul 2019	R 5 165.00	17.25%	
Sep 2019	R 5 282.00	0%	
Dec 2019	R 5 400.00	16%	
Jul 2019	R 5 165.00	17.25%	



The local Soya market traded higher yesterday. The local Jul'19 Soya contract ended R150.00 up and Sep'19 Soya closed R149.00 higher. The parity move for the Jul'19 Soya contract for yesterday was R81.00 negative.

The local Suns market closed higher yesterday. The local Jul'19 Suns contract closed R55.00 up and Sep'19 Suns closed R33.00 higher.



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