



Fundamental Report
22 July 2019

Financial Markets

Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand		The record	#VALUE!	#VALUE!
Euro/Rand	15.6619	15.6249	-0.0370	-0.24%
GBPound/Rand	17.4587	17.4136	-0.0451	-0.26%
AusDollar/Rand	9.8290	9.8088	-0.0202	-0.21%
Euro/USDollar	1.1236	1.1218	-0.0018	-0.16%
GBPound/USDollar	1.2526	1.2503	-0.0023	-0.18%
AusDollar/USDollar	0.7055	0.7041	-0.0014	-0.20%
JpyYen/USDollar	107.6400	107.9200	0.2800	0.26%

BDLive - The prospect of looser global monetary policy helped buoy both the JSE and global markets on Friday, with local banks and gold miners faring particularly well.

The market's pricing in of a 50-basis-point (bps) interest-rate cut by the US Federal Reserve later in July shot up overnight to 45%. This after New York Fed president John Williams said on Thursday that it would be better for the Fed to take "preventative measures than to wait for disaster to unfold". The Fed itself, however, moved to say that not too much should be read into these comments as they were academic in nature and not a commentary on Fed policy. This caused the likelihood of a 50bps cut to recede to 38.5% by the JSE's close. The rand began the day well, but gave up gains as the dollar jumped against the euro after the Fed downplayed Williams's comments.

Local corporate news was positive, with Pioneer Foods surging 32.09% to R102.50. It said earlier that New York-based food and beverages giant PepsiCo had made an offer to buy it out. PepsiCo said the deal would add meaningfully to the growth of the SA economy. The offer amounts to \$1.7bn (about R24bn).

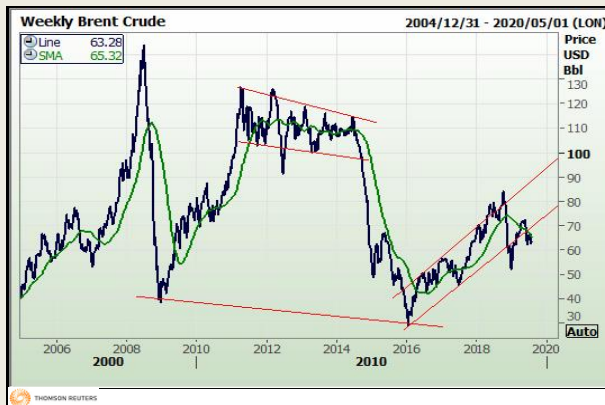


Commodities

	Last	Value Change	% Change
Platinum	844.52	1.02	0.12%
Gold	1426.45	1.54	0.11%
Silver	16.34	0.13	0.82%
Copper	2.75	0.00	-0.02%
Gasoil	583.75	7.75	1.33%
Brent Oil	63.31	0.84	1.33%

BDLive - Bengaluru — Gold eased on Friday as investors booked profits after prices raced past \$1,450 an ounce to hit a six-year peak, but Middle East tensions and prospects for lower interest rates kept bullion on track for a second week of gains. Spot gold shed 0.6% to \$1,437.51 by 11.51am GMT, having touched its highest since early May 2013 at \$1,452.60. However, US gold futures hung on to gains, advancing by about 0.8% to \$1,438.80.

"What we have seen over the past couple of hours is a natural bit of profit-taking with gold having made this big move higher. Investors are holding their breath going into the end of the week and the seasonally slow summer period," said Mitsubishi analyst Jonathan Butler. "However, gold is still looking good. The interest rates and dollar environment, uncertainties over the US-China trade war and now the geopolitical situation being the icing on the cake; all of this has created a very supportive environment for gold."



Financials

	Current Bid	Value Change	% Change
JSE TOP 40	52107.18	0.00	0.00%
ALSI	The record	The record	
S&P 500	2995.11	-18.50	-0.62%
FTSE	7493.09	15.61	0.21%
CAC	5552.34	0.00	0.00%
DAX	12260.07	0.00	0.00%
Hang Seng	28765.40	-199.27	-0.69%



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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
SEP 2019	426.00	430.75	6.25	4.75	424.25	-6.50	-1.75
DEC 2019	431.00	435.75	6.00	4.75	428.50	-7.25	-2.50
MAR 2010	439.00	444.00	5.75	5.00	437.00	-7.00	-2.00
MAY 2010	444.00	448.00	5.75	4.00	441.25	-6.75	-2.75
JUL 2010	447.00	451.25	5.50	4.25	444.75	-6.50	-2.25



FarmFutures - Corn prices found favor Friday on some technical buying partly prompted by spillover strength from soybeans. The current round of hot weather across the central U.S. was also a factor, although traders continue to eye cooler temperatures forecasted for next week. September futures climbed 6.25 cents to \$4.3075, with December futures gaining 6 cents to \$4.3575.

Corn basis bids were steady to soft Friday, weakening by 1 to 3 cents across multiple Midwestern locations today.

U.S. ethanol plants will likely roll back production later this summer due to weak margins and oversupply amid the ongoing trade war with China. Seasonal supplies are at the highest levels in nearly a decade. August ethanol futures were up 2% in afternoon trading.

Brazil consultancy Safras & Mercado estimates the country's 2019/20 corn production will fall 3.3% year-over-year to 4.093 billion bushels.

Hot, dry weather is hurting the corn crop in France, with consultancy FranceAgriMer estimating that 74% of the crop is in good-to-excellent condition as of July 15, falling from 78% the prior week.

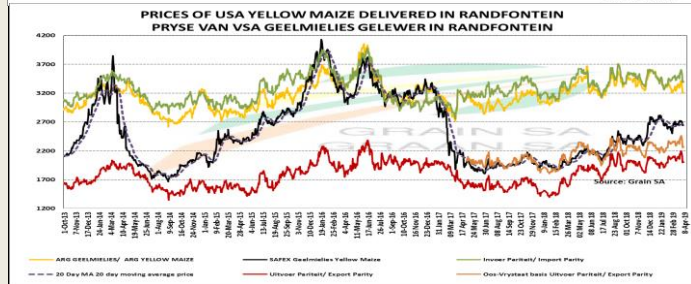
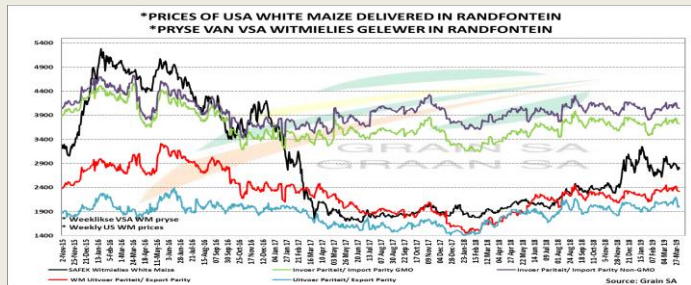
How did this week's heatwave impact crop quality in the U.S.? Stay tuned for the next round of USDA crop progress data, out Monday afternoon. So far, corn quality is at its lowest condition since 2012.

Preliminary volume estimates were for 227,686 contracts, shrinking 44% below Thursday's final count of 403,710.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
White Maize Future				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 2 903.00	31.5%		R 2 903.00
Sep 2019	R 2 954.00	25%		R 2 954.00
Dec 2019	R 3 040.00	29.5%		R 3 040.00
Jul 2019	R 2 903.00	31.5%		R 2 903.00
Yellow Maize Future				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 2 778.00	26.5%		R 2 778.00
Sep 2019	R 2 828.00	21.5%		R 2 828.00
Dec 2019	R 2 909.00	22.5%		R 2 909.00
Jul 2019	R 2 778.00	26.5%		R 2 778.00

The local Maize market traded lower yesterday. The local Jul'19 WMAZ contract ended R30.00 down and Jul'19 YMAZ closed R25.00 lower. The Sep'19 WMAZ closed lower by R35.00 and Sep'19 YMAZ ended R31.00 down. The parity move for the Jul'19 Maize contract for yesterday was R10.00 negative.

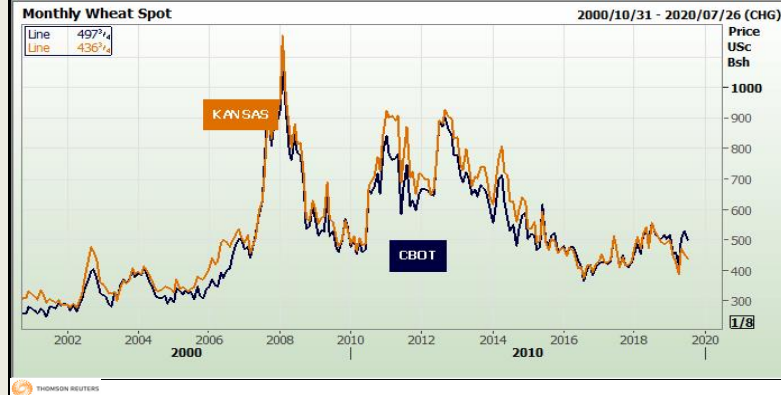


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Wheat Market

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	
SEP 2019	498.00	502.50	9.00	4.50	497.75	-4.75	-0.25		SEP 2019	436.00	440.00	7.25	4.00	437.00	-3.00	1.00	
DEC 2019	509.00	513.50	8.25	4.50	509.25	-4.25	0.25		DEC 2019	456.00	459.75	6.50	3.75	457.25	-2.50	1.25	
MAR 2010	522.00	525.25	7.50	3.25	521.00	-4.25	-1.00		MAR 2010	475.00	479.25	6.00	4.25	477.00	-2.25	2.00	
MAY 2010	527.00	531.00	7.50	4.00	527.75	-3.25	0.75		MAY 2010	488.00	491.50	6.00	3.50	489.00	-2.50	1.00	
JUL 2010	527.00	531.25	7.00	4.25	532.25	1.00	5.25		JUL 2010	492.00	497.00	6.00	5.00	0.00	-497.00	-492.00	



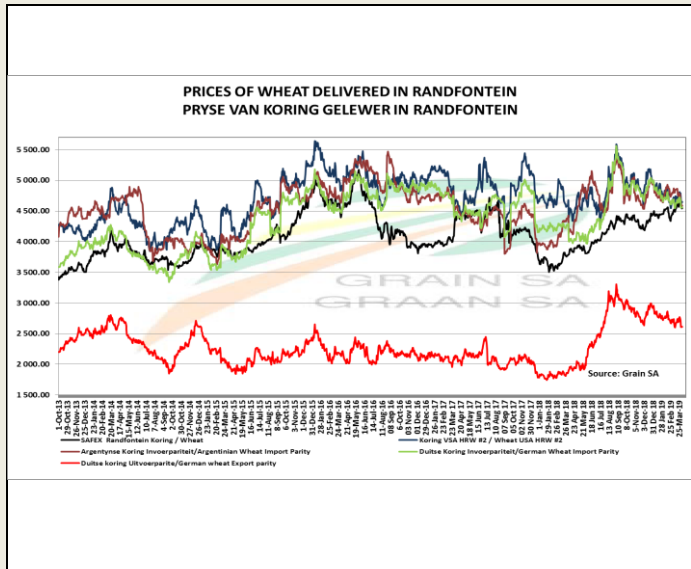
FarmFutures - Wheat prices firmed by as much as 2% Friday on a round of technical buying, with additional support from spillover strength from other commodities. September Chicago SRW futures rose 9 cents to \$5.0250, September Kansas City HRW futures gained 7.25 cents to \$4.40, and September MGEX spring wheat futures picked up 3.75 cents to \$5.2925. For wheat to muster much of a rally later this year, help will be needed from higher corn prices. Find out what other factors are currently in play in the latest Wheat Outlook column from Farm Futures senior grain market analyst Bryce Knorr. French consultancy FranceAgriMer reported 73% of the country's soft wheat crop is in good-to-excellent condition as of July 15, unchanged from a week ago. Harvest progress has reached 33%, up from 9% a week ago. Analysts are expecting total wheat production to top 1.396 billion bushels, which would come in 11.7% higher than a year ago, if realized. Thailand purchased 2.2 million bushels of U.S. soft white and hard red winter wheat for arrival in September.

Russia plans to send 3.7 million bushels of wheat to Syria as part of a humanitarian aid effort.

Preliminary volume estimates were for 77,326 CBOT contracts, falling 11% below Thursday's final count of 87,098.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
Bread Milling Wheat				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019	R 4 500.00	12%		R 4 500.00
Sep 2019	R 4 503.00	0%		R 4 503.00
Dec 2019	R 4 430.00	12.5%		R 4 430.00
Jul 2019	R 4 500.00	12%		R 4 500.00
Cape Wheat				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019				
Dec 2019				
Jul 2019				



The local Wheat market closed higher yesterday. The local Jul'19 Wheat contract closed R10.00 up and Sep'19 Wheat closed R3.00 higher. The parity move for the Jul'19 Wheat contract for yesterday was R1.00 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
AUG 2019	885.00	901.50	20.25	16.50	896.00	-5.50
SEP 2019	891.00	907.25	20.25	16.25	901.50	-5.75
NOV 2019	903.00	919.25	20.25	16.25	913.00	-6.25
JAN 2010	915.00	931.75	20.25	16.75	925.75	-6.00
MAR 2010	925.00	940.50	19.25	15.50	935.00	-5.50

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
AUG 2019	311.2	308.90
SEP 2019	312.5	310.30
OCT 2019	314.3	312.00
DEC 2019	317.5	315.10
JAN 2010	319.2	316.90

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
AUG 2019	28.1	27.98
SEP 2019	28.2	28.11
OCT 2019	28.31	28.29
DEC 2019	28.56	28.45
JAN 2010	28.8	28.70



FarmFutures - Soybean prices tracked more than 2% higher Friday on a round of short-covering, with blistering weather across the central U.S. creating additional tailwinds for now. August and November each soared 20.25 cents higher to close at \$9.0150 and \$9.1925, respectively. Soybean basis bids were largely steady Friday but did tick 2 cents higher at an Indiana processor and 2 cents lower at an Illinois river terminal today. Trade talks continued via phone between U.S. and Chinese officials yesterday, but U.S. Treasury Secretary Steven Mnuchin said it was too early to say if the talks went well enough to warrant another round of in-person negotiations: "It's possible, but I'm not going to speculate on the outcome." Brazil consultancy Safras & Mercado expects 2019/20 soybean production to rise 4.7% higher year-over year to reach 4.548 billion bushels. Planted acres are expected to increase another 0.8% this coming season, which begins in September, to reach a record 90.517 million acres, if realized. "Sometimes what we don't know is more important than what we do know," according to Farm Futures senior grain market analyst Bryce Knorr. "For soybeans this year, next to nothing is really certain." Find out what Knorr's been investigating lately in his newest Soybean Outlook column. Meantime, this week has provided plenty of heat that has stressed the soybean crop in many areas. Find out what farmers have been saying in our latest updates to Feedback From The Field, and view our interactive map to learn more. Preliminary volume estimates were for 173,031 contracts, moving 7% above Thursday's final count of 161,632.

South African Futures Exchange

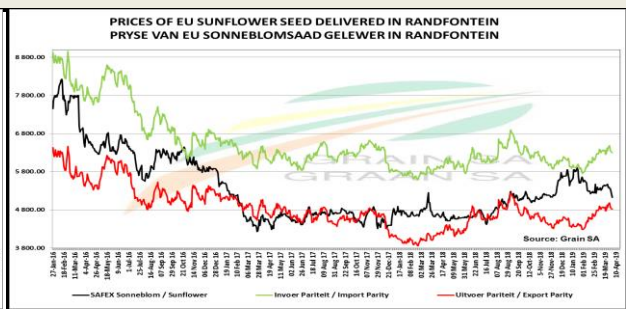
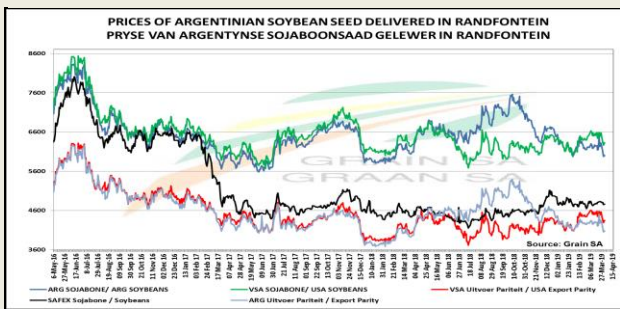
Soybean Future			
	MTM	Vols	Market Price
Dec 2018			
Mar 2019			
May 2019			
Jul 2019	R 5 289.00	15%	R 5 289.00
Sep 2019	R 5 330.00	0%	R 5 330.00
Dec 2019	R 5 420.00	14%	R 5 420.00
Jul 2019	R 5 289.00	15%	R 5 289.00

Sunflower Seeds Future		
	MTM	Vols
Dec 2018		
Mar 2019		
May 2019		
Jul 2019	R 5 037.00	17.25%
Sep 2019	R 5 138.00	0%
Dec 2019	R 5 292.00	16%
Jul 2019	R 5 037.00	17.25%



The local Soya market traded lower yesterday. The local Jul'19 Soya contract ended R15.00 down and Sep'19 Soya closed R20.00 lower. The parity move for the Jul'19 Soya contract for yesterday was R51.00 positive.

The local Suns market closed lower yesterday. The local Jul'19 Suns contract closed R26.00 down and Sep'19 Suns closed R33.00 lower.



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