



**Fundamental Report**  
**01 August 2019**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
<b>USDollar/Rand</b>		The record	#VALUE!	#VALUE!
Euro/Rand	15.8260	15.8545	0.0285	0.18%
GBPound/Rand	17.2808	17.3981	0.1173	0.68%
AusDollar/Rand	9.7909	9.8277	0.0368	0.38%
Euro/USDollar	1.1145	1.1045	-0.0100	-0.90%
GBPound/USDollar	1.2169	1.2125	-0.0044	-0.36%
AusDollar/USDollar	0.6894	0.6847	-0.0047	-0.68%
JpyYen/USDollar	108.5600	109.2300	0.6700	0.62%

BDLive - The JSE closed lower on Wednesday as investors await the US Federal Reserve's interest-rate decision, with the expectation that the central bank will ease monetary policy amid concern over a slowdown in global economic growth.

The markets appear to have priced in the likelihood of a rate cut ahead of the Fed's meeting on Wednesday. The probability of a 25-basis-point cut was at 79.1% according to the CME Group FedWatch tool on Wednesday evening. Investors are awaiting more direction from the Fed regarding the trajectory of US monetary policy in the coming months amid speculation that the Fed will cut rates further.

Shortly after the JSE closed, the Dow was flat at 27,212.03 points. In Europe, the FTSE 100 had fallen 0.74% while France's CAC 40 had gained 0.38%, and Germany's DAX 30 0.47%.

Earlier, Shanghai's Composite fell 0.67%, Hong Kong's Hang Seng 1.31% and Japan's Nikkei 225 0.86%.



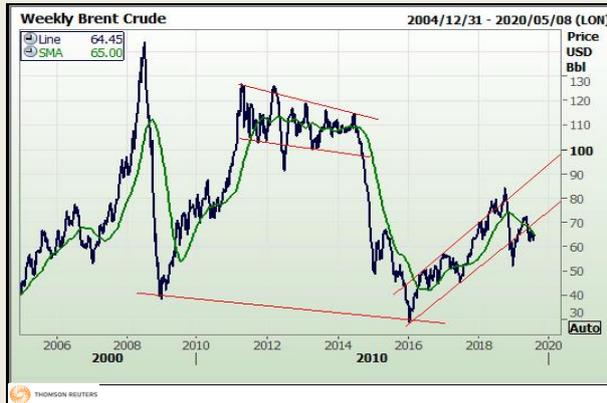
### Commodities

	Last	Value Change	% Change
Platinum	859.99	0.49	0.06%
Gold	1409.58	-3.97	-0.28%
Silver	16.18	-0.08	-0.49%
Copper	2.66	-0.01	-0.21%
Gasoil	599.25	-2.50	-0.42%
Brent Oil	64.46	-0.59	-0.92%

BDLive - Gold held steady on Wednesday, on track for a third straight month of gains, as traders awaited a US Federal Reserve statement widely expected to signal an interest rate cut. Spot gold was flat at \$1,431.20/oz at 11.25am GMT, while US gold futures edged 0.2% higher to \$1,432.20.

Expectations for an interest-rate cut by the Fed and other leading central banks, which would cut the opportunity cost of holding nonyielding gold, have put the metal on track for a 1.5% gain for July. Fed funds rate futures are now fully pricing in an interest rate cut of 25 basis points on Wednesday, which would be its first since the financial crisis more than a decade ago, and reduction of a further 25 basis points by September.

"The gold market will focus more on the communication, whether the Fed leaves the door open for more rate cuts later this year citing global growth worries," Julius Baer analyst Carsten Menke said.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	50798.70	0.00	0.00%
ALSI	50849.00	0.00	0.00%
S&P 500	3013.18	-32.80	-1.09%
FTSE	7646.77	-59.99	-0.78%
CAC	5518.90	0.00	0.00%
DAX	12189.04	0.00	0.00%
Hang Seng	27777.75	-191.95	-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	411.00	400.25	-11.00	-10.75	402.25	2.00	-8.75
DEC 2019	421.00	410.00	-11.00	-11.00	412.00	2.00	-9.00
MAR 2010	431.00	420.50	-10.50	-10.50	422.50	2.00	-8.50
MAY 2010	435.00	426.00	-9.50	-9.00	428.00	2.00	-7.00
JUL 2010	439.00	430.25	-9.00	-8.75	432.00	1.75	-7.00

FarmFutures - Corn prices eroded steadily throughout Wednesday's session on persistent technical selling, spurred by an abundance of milder weather with adequate rainfall in the forecast for this year's late-planted crops. September and December each dropped 11 cents to close at \$4.0025 and \$4.10, respectively – falling to the lowest levels since late May.

Corn basis bids were largely steady Wednesday but did move 2 cents higher at an Illinois river terminal and picked up 5 cents at an Indiana ethanol plant today. Farmer sales have been generally slow so far this week.

Ahead of tomorrow morning's USDA crop progress report, analysts expect the agency to show corn sales totaling between 11.8 million and 29.5 million bushels for the week ending July 25.

Ethanol production continued to trend lower last week, with an average daily production of 1.031 million barrels – reaching the lowest level since mid-April. September ethanol futures also tumbled 2% lower, to \$1.45.

South Korea purchased 2.6 million bushels of corn from optional origins in an international tender that closed earlier today. The grain is for arrival in early December.

Farmers contributing to Feedback From The Field have been reporting a lot of variable field conditions throughout July, with individual yield estimates ranging all the way from 110 bushels per acre up to 240 bpa. Click here to catch up on the latest farmer anecdotes and view our interactive map.

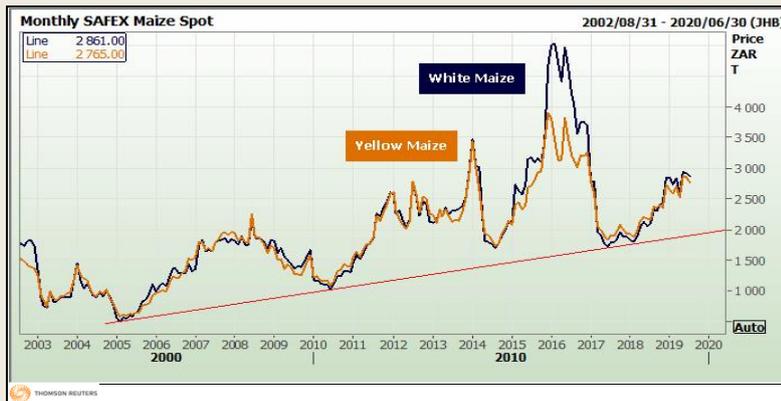
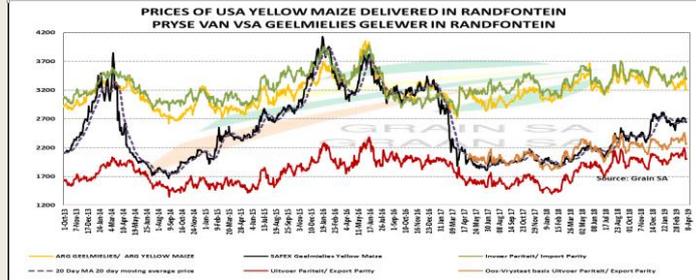
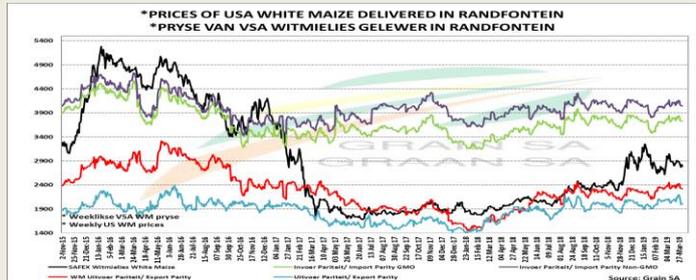
Preliminary volume estimates were not immediately available from CME.



### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019	R 2 903.00	25%		R 2 903.00
Dec 2019	R 2 987.00	27.75%		R 2 987.00
Jul 2019				
<b>Yellow Maize Future</b>				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019	R 2 801.00	20.5%		R 2 801.00
Dec 2019	R 2 877.00	20%		R 2 877.00
Jul 2019				

The local Maize market traded mixed yesterday. The local Aug'19 WMAZ contract ended R8.00 up while Aug'19 YMAZ closed R1.00 lower. The Sep'19 WMAZ closed higher by R10.00 and Sep'19 YMAZ ended R3.00 up. The parity move for the Aug'19 Maize contract for yesterday was R25.00 negative.

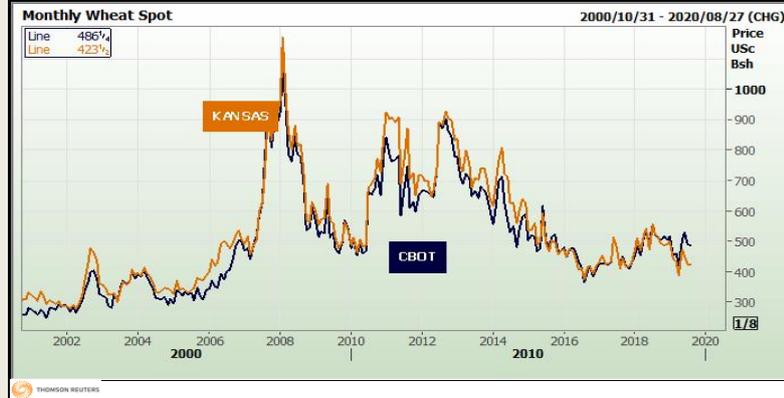


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## Wheat Market

### 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	495.00	487.25	-10.00	-7.75	486.25	-1.00	-8.75	SEP 2019	432.00	422.75	-10.75	-9.25	423.50	0.75	-8.50
DEC 2019	501.00	493.25	-9.75	-7.75	492.75	-0.50	-8.25	DEC 2019	450.00	440.50	-10.50	-9.50	440.50	0.00	-9.50
MAR 2010	510.00	504.25	-8.25	-5.75	502.25	-2.00	-7.75	MAR 2010	466.00	457.25	-10.25	-8.75	458.25	1.00	-7.75
MAY 2010	516.00	510.75	-7.25	-5.25	508.50	-2.25	-7.50	MAY 2010	478.00	469.00	-9.75	-9.00	469.00	0.00	-9.00
JUL 2010	520.00	514.25	-6.00	-5.75	512.00	-2.25	-8.00	JUL 2010	483.00	474.75	-9.25	-8.25	0.00	-474.75	-483.00



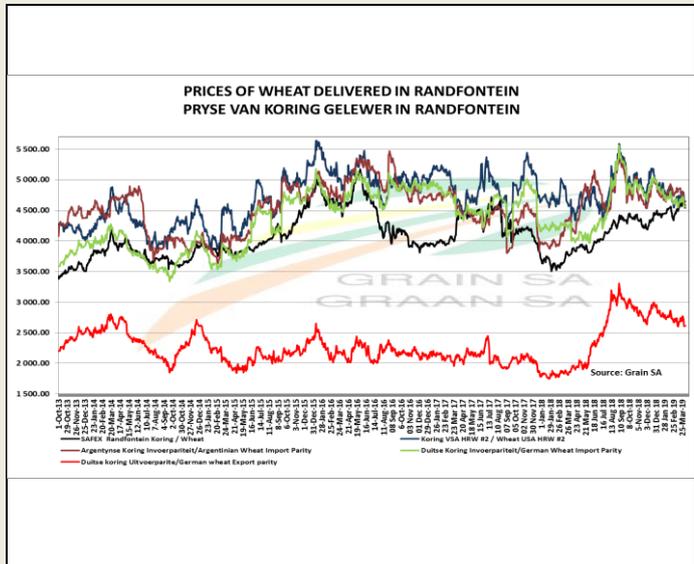
**FarmFutures -** Wheat prices dropped 2% or more on technical selling spurred by spillover weakness in corn and soybeans, with harvest pressure creating additional headwinds. September Chicago SRW futures fell 10 cents to \$4.8725, September Kansas City HRW futures dropped 11.25 cents to \$4.2225, and September MGEX spring wheat futures lost 9.25 cents to \$5.1950. Ahead of Thursday morning's USDA export report, analysts expect the agency to show wheat sales totaling between 11.0 million and 22.0 million bushels for the week ending July 25. Even the high end of those estimates would result in a moderate decline from the prior week's tally of 24.2 million bushels.

Consultancy Strategie Grains upped its estimate for the 2019 French soft wheat crop by 2%, now at 1.432 billion bushels, with a per-acre average of 115.5 bpa. The latest heatwave has not majorly impacted yields, according to the group. But in Germany, a farming association says hot, dry conditions are causing problems, with current production estimates of 808.4 million bushels, down 8.7% from prior estimates earlier this summer. Algeria purchased 20.9 million bushels of milling wheat from optional origins in a tender that closed yesterday. The grain is for shipment in September.

The Philippines purchased nearly 6.1 million bushels of animal feed wheat from optional origins earlier today. The grain is for shipment between October and January. Preliminary volume estimates were not immediately available from CME.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019	R 4 505.00	0%		R 4 505.00
Dec 2019	R 4 459.00	12.5%		R 4 459.00
Jul 2019				
<b>Cape Wheat</b>				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019				
Dec 2019				
Jul 2019				



The local Weat market closed lower yesterday. The local Aug'19 Weat contract closed R35.00 down and Sep'19 Weat closed R15.00 lower. The parity move for the Aug'19 Weat contract for yesterday was R18.00 negative.



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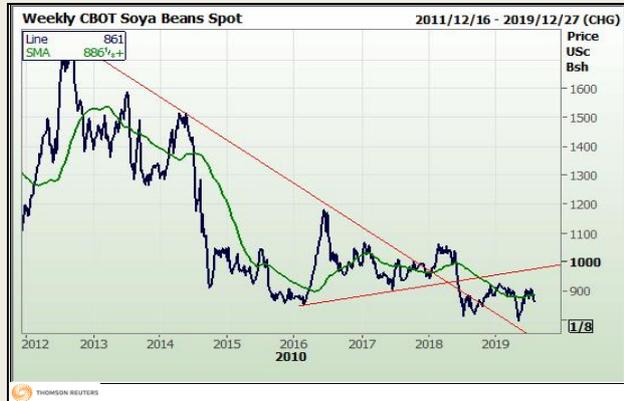
## Oil Seed Market

### 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
AUG 2019	878.00	864.00	-14.75	-14.00	861.00	-3.00
SEP 2019	882.00	869.00	-15.25	-13.00	868.00	-1.00
NOV 2019	895.00	881.50	-15.25	-13.50	880.50	-1.00
JAN 2010	908.00	895.00	-15.00	-13.00	894.25	-0.75
MAR 2010	920.00	908.50	-13.75	-11.50	907.00	-1.50

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
AUG 2019	298.2	297.30
SEP 2019	300.5	299.90
OCT 2019	302.1	301.50
DEC 2019	305.4	304.80
JAN 2010	307.3	306.60

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
AUG 2019	27.75	27.85
SEP 2019	27.88	28.04
OCT 2019	28	28.16
DEC 2019	28.23	28.38
JAN 2010	28.48	28.64



FarmFutures - Soybean prices tumbled nearly 2% lower Wednesday after the U.S.-China trade war is expected to drag on through at least September, when the next round of in-person negotiations are expected. August futures fell 14.75 cents to \$8.64, with September futures down 15.25 cents to \$8.69 – both at seven-week lows. Soybean basis bids were mostly unchanged but made two big moves Wednesday after tumbling 10 cents lower at an Ohio elevator while trending 8 cents higher at an Illinois river terminal today.

Trade talks between the U.S. and China concluded in Shanghai earlier today with signs the sides discussed Chinese purchases of American farm products, per Bloomberg. The two countries plan to continue in-person meetings in September. Click here to learn more about ongoing negotiations.

Ahead of Thursday morning's USDA export report, analysts expect the agency to show soybean sales ranging between 3.7 million and 25.7 million bushels for the week ending July 25. Analysts also expect USDA to report an additional 150,000 to 450,000 metric tons of soybean sales last week, plus another 5,000 to 35,000 MT of soybean sales. Private exporters reported to USDA the sale of 3.8 million bushels of soybeans for delivery to unknown destinations. Of the total, a small amount (less than 1%) is for delivery during the 2018/19 marketing year, with the remainder for delivery in 2018/20. Preliminary volume estimates were not immediately available from CME.

### South African Futures Exchange

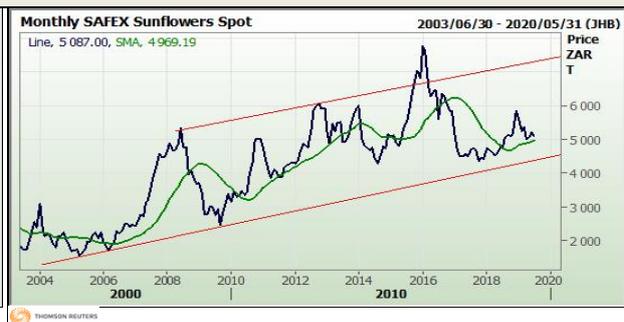
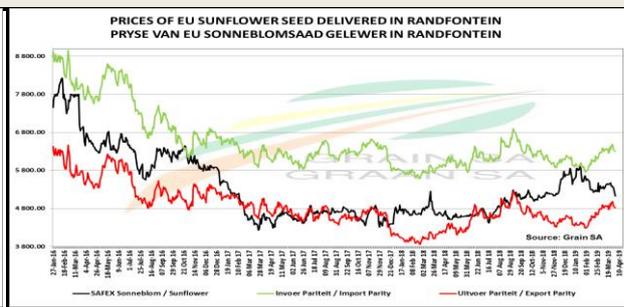
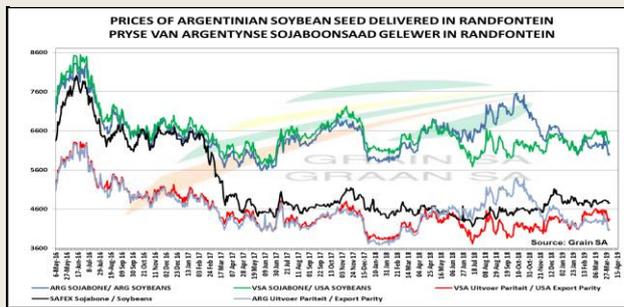
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019	R 5 375.00	0%		R 5 375.00
Dec 2019	R 5 461.00	14%		R 5 461.00
Jul 2019				

Sunflower Seeds Future			
	MTM	Vols	
Dec 2018			
Mar 2019			
May 2019			
Jul 2019			
Sep 2019	R 5 165.00	13.25%	
Dec 2019	R 5 313.00	16%	
Jul 2019			



The local Soya market traded lower yesterday. The local Aug'19 Soya contract ended R31.00 down and Sep'19 Soya closed R46.00 lower. The parity move for the Aug'19 Soya contract for yesterday was R24.00 negative.

The local Suns market closed lower yesterday. The local Aug'19 Suns contract closed R13.00 down and Sep'19 Suns closed R13.00 lower.



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