



Fundamental Report
07 August 2019

Financial Markets

Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand		The record	#VALUE!	#VALUE!
Euro/Rand	16.6187	16.7875	0.1688	1.02%
GBPound/Rand	18.1037	18.1983	0.0946	0.52%
AusDollar/Rand	10.0704	10.0081	-0.0623	-0.62%
Euro/USDollar	1.1200	1.1216	0.0016	0.14%
GBPound/USDollar	1.2202	1.2161	-0.0041	-0.34%
AusDollar/USDollar	0.6788	0.6688	-0.0100	-1.47%
JpyYen/USDollar	106.3700	105.9700	-0.4000	-0.38%

BDLive - The JSE recovered a little from Monday's losses on Tuesday, as global markets breathed a little easier after the Chinese authorities fixed the yuan back below the psychologically important 7/5 level.

The yuan's depreciation below this level for the first time in 11-years on Monday wreaked havoc on global markets, with fears growing that foreign exchange may be the next battle ground in the escalating US-China trade conflict. China, however, has denied it is using its currency as a mechanism in its dispute. The JSE managed strong gains for much of the day, but these were pared as the global equity rebound fizzled toward's the local bourse's close. Moody's Investors Service also issued a statement saying Eskom's recent financial results indicate that its capital structure is unsustainable, and that it urgently needs a turnaround plan. The all share added 0.16% to 55,062 points while the top 40 was flat. Platinums added 2.34% and food and drug retailers 1.22%.

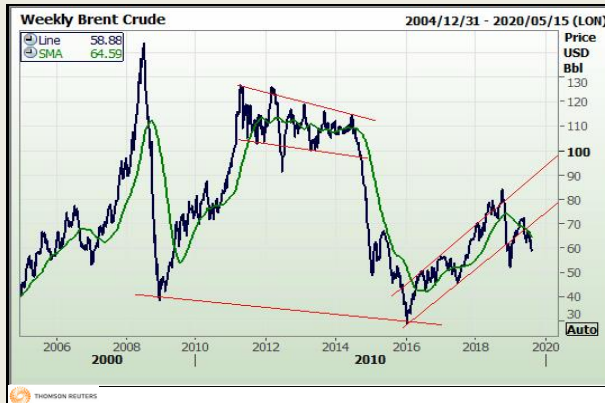
Shortly after the JSE closed the rand was flat at R14.9327/\$, while the benchmark R186 bond had strengthened marginally, with the yield falling 0.5 basis points. The rand has lost more than 4% against the dollar so far in August.



Commodities

	Last	Value Change	% Change
Platinum	854.95	7.45	0.87%
Gold	1485.84	11.97	0.81%
Silver	16.73	0.29	1.72%
Copper	2.55	0.00	-0.18%
Gasoil	555.25	-4.00	-0.72%
Brent Oil	58.91	-0.03	-0.05%

BDLive - Bengaluru — Gold steadied on Tuesday after touching a six-year high as simmering tension between Washington and Beijing propelled investors towards safe-haven assets. Spot gold was little changed at \$1,464.15/oz as at 11.39am GMT after hitting its highest since May 2013 at \$1,474.81. Prices had jumped as much as 2% in the previous session. US gold futures were also steady at \$1,476.10. "It all comes down to the US-China situation and how it will pan out. For now, investors are repricing their expectations for when resolution is going to be achieved and many are not expecting it to happen any time soon," SP Angel analyst Sergey Raevskiy said. "People are just rebalancing their portfolios in favour of bonds, gold, Japanese yen, Swiss francs and usual safe havens." Global equities, meanwhile, continued their sell-off as Washington accused Beijing of currency manipulation after China let the yuan drop to its lowest in more than a decade. On Monday, the US treasury department said that treasury secretary Steven Mnuchin "will engage with the International Monetary Fund to eliminate the unfair competitive advantage created by China's latest actions".



Financials

	Current Bid	Value Change	% Change
JSE TOP 40	49113.36	0.00	0.00%
ALSI	49078.00	0.00	0.00%
S&P 500	2844.74	37.03	1.30%
FTSE	7223.85	-52.16	-0.72%
CAC	5234.65	0.00	0.00%
DAX	11567.96	0.00	0.00%
Hang Seng	25976.24	-210.71	-0.81%



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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	403.00	404.00	-1.25	1.00	405.25	1.25	2.25
DEC 2019	412.00	412.50	-2.25	0.50	413.50	1.00	1.50
MAR 2010	422.00	422.00	-3.50	0.00	422.75	0.75	0.75
MAY 2010	428.00	426.50	-4.00	-1.50	427.25	0.75	-0.75
JUL 2010	432.00	430.00	-4.50	-2.00	430.50	0.50	-1.50

FarmFutures - Corn prices saw some technical selling partly prompted by wetter, relatively cool forecasts this coming week. September futures dipped 1.25 cents to \$4.04, with December futures down 2.25 cents to \$4.1250.

Corn basis bids were mixed Tuesday after falling 5 to 12 cents lower at two interior river terminals while firming 2 to 3 cents at two Midwestern processors today.

The domestic corn crop is now rated 57% in good-to-excellent condition, versus 58% the prior week, according to USDA's latest crop progress report, out late yesterday. Another 30% of the crop is rated fair (unchanged from a week ago), with the remaining 13% rated poor or very poor (up a point from a week ago). That puts average yield potential at 169.7 bpa, according to our models.

Physiologically, crop maturity remains well behind recent years, with 78% of the crop now silking. That's up from 58% a week ago but significantly slower than 2018's pace of 95% and the five-year average of 93%. Another 23% of the crop is now at dough stage.

France's farm ministry says hot, dry weather earlier this summer will keep the country's corn production around 516 million bushels, still tracking 5% ahead of 2018's production, if realized.

South Korea passed on all offers in its tender to purchase 2.2 million bushels of corn, which was sought for arrival in early November.

Algeria purchased 1.6 million bushels of corn, likely from South America, in a tender that closed earlier today. The grain is for shipment between late August and early September.

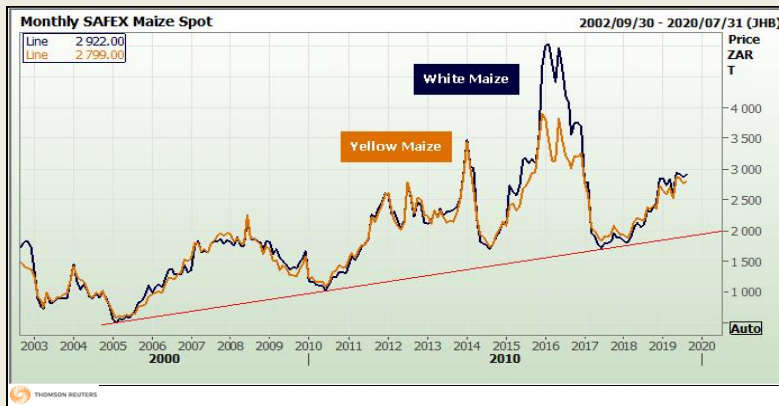
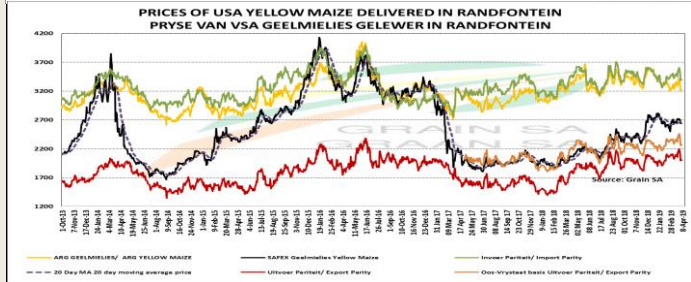
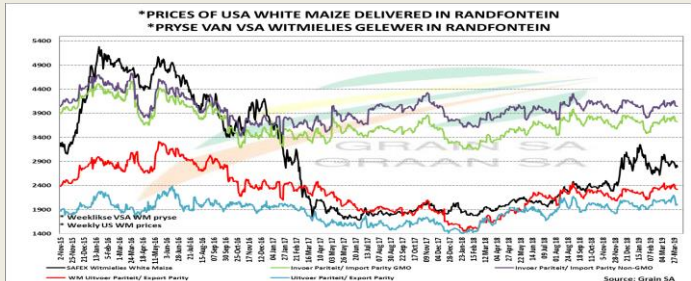
Preliminary volume estimates were for 299,522 contracts, dropping moderately below Monday's final count of 361,636.



South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
White Maize Future				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019	R 2 959.00	25%		R 2 959.00
Dec 2019	R 3 050.00	28.5%		R 3 050.00
Jul 2019				
Yellow Maize Future				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019	R 2 829.00	20.5%		R 2 829.00
Dec 2019	R 2 918.00	20%		R 2 918.00
Jul 2019				

The local Maize market traded higher yesterday. The local Aug'19 WMAZ contract ended R40.00 up and Aug'19 YMAZ closed R25.00 higher. The Sep'19 WMAZ closed higher by R39.00 and Sep'19 YMAZ ended R21.00 up. The parity move for the Aug'19 Maize contract for yesterday was R39.00 positive.



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Wheat Market

Chicago Board of Trade and Kansas Board of Trade

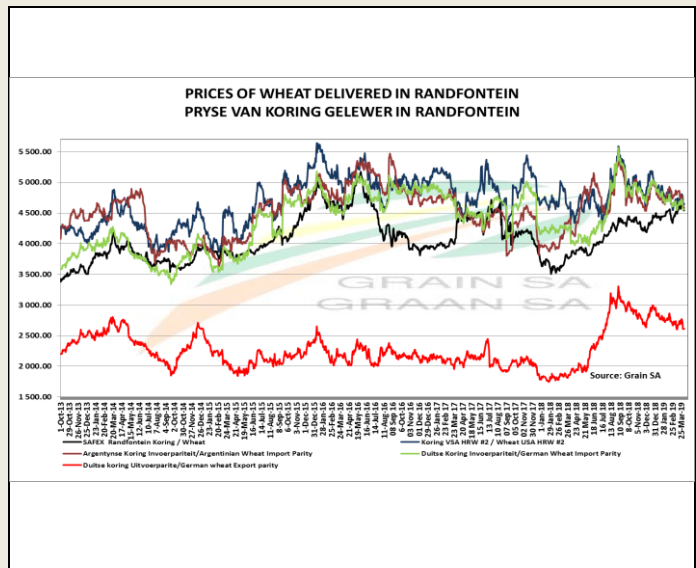
CBOT Wheat							KBOT Wheat								
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm	Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
SEP 2019	489.00	484.00	-10.50	-5.00	485.50	1.50	-3.50	SEP 2019	422.00	418.00	-8.75	-4.00	418.75	0.75	-3.25
DEC 2019	489.00	487.75	-7.00	-1.25	489.50	1.75	0.50	DEC 2019	438.00	434.75	-8.50	-3.25	435.75	1.00	-2.25
MAR 2010	499.00	496.00	-7.75	-3.00	498.00	2.00	-1.00	MAR 2010	455.00	451.50	-8.25	-3.50	452.75	1.25	-2.25
MAY 2010	505.00	501.75	-7.75	-3.25	504.25	2.50	-0.75	MAY 2010	468.00	462.50	-8.00	-5.50	0.00	-462.50	-468.00
JUL 2010	509.00	506.50	-7.25	-2.50	508.75	2.25	-0.25	JUL 2010	476.00	469.00	-8.00	-7.00	0.00	-469.00	-476.00



FarmFutures - Wheat prices are facing a bevy of headwinds this week, from harvest pressure to the usual specters of large domestic and global stockpiles, along with relatively low export sales. It all added up to another round of technical selling, with some contracts down as much as 2% today. September Chicago SRW futures tumbled 10.5 cents to \$4.84, September Kansas City HRW futures dropped 8.5 cents to \$4.1825, and September MGEX spring wheat futures slipped 2.5 cents to \$5.2250. USDA marks 82% of the crop now harvested in its latest crop progress report, up from 75% a week ago but moderately behind 2018's pace of 89% and the five-year average of 92%. Spring wheat harvest has also kicked off, with just 2% complete across the top six production states. Last year's pace at this time had reached 12%, with a five-year average of 14%. Spring wheat crop quality was narrowly scrambled last week, meantime. Ten percent of the crop was rated excellent, 63% rated good, 22% rated fair and 5% rated poor or very poor. In France, the country's farm ministry says its soft wheat crop shook off record-breaking temperatures earlier this summer and could still reach production totaling 1.404 billion bushels – trending 12% above 2018's tally, if realized. Egypt purchased 15.2 million bushels of wheat from Ukraine, Romania and Russia in an international tender that closed earlier today. The grain is for shipment in early September.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
Bread Milling Wheat				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019	R 4 503.00	0%		R 4 503.00
Dec 2019	R 4 490.00	12.5%		R 4 490.00
Jul 2019				
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 Aug'19 Weat contract closed R19.00 up and Sep'19 Weat closed R19.00 higher. The parity move for the Aug'19 Weat contract for yesterday was R10.00 positive.



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Oil Seed 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
AUG 2019	853.00	847.75	-2.50	-5.25	848.25	0.50	-4.75
SEP 2019	858.00	853.00	-3.00	-5.00	854.25	1.25	-3.75
NOV 2019	870.00	865.75	-3.00	-4.25	867.00	1.25	-3.00
JAN 2010	883.00	879.25	-2.75	-3.75	880.25	1.00	-2.75
MAR 2010	896.00	890.75	-3.00	-5.25	892.50	1.75	-3.50

Month	Main Session Close	Current Overnight
AUG 2019	295.1	0.00
SEP 2019	297.3	296.50
OCT 2019	299.2	298.40
DEC 2019	302.6	301.90
JAN 2010	304.2	303.80

Month	Main Session Close	Current Overnight
AUG 2019	27.48	27.60
SEP 2019	27.56	27.79
OCT 2019	27.68	27.90
DEC 2019	27.93	28.14
JAN 2010	28.18	28.39



FarmFutures - Soybean prices continue to face headwinds in the ongoing U.S.-China trade war, not to mention favorable weather forecasts this coming week. Still, the 2019 U.S. crop could be the smallest in years if current trends continue to play out. Nonetheless, prices reversed lower Tuesday, with August futures dropping 2.5 cents to \$8.4775 and September futures falling 3 cents to \$8.53.

Soybean basis bids fell 3 to 10 cents lower at two interior river terminals but firmed 1 to 3 cents across several other Midwestern locations Tuesday.

USDA held soybean crop quality steady last week in its latest crop progress report, with 53% of the crop rated good-to-excellent. Another 33% of the crop is rated fair, with the remaining 13% rated poor or very poor – also unchanged from a week ago. Average yields are now projected at 50 bpa according to our modeling. The agency also reports that 72% of the crop is now blooming, up from 57% the prior week but well behind 2018's pace of 91% and the five-year average of 87%. And 37% of the crop is setting pods, which is also much slower than 2018's pace of 73% and the five-year average of 63%. President Donald Trump once again tweeted about U.S. agriculture this morning: "Our great American Farmers know that China will not be able to hurt them in that their President has stood with them and done what no other president would do - And I'll do it again next year if necessary!" ("it" being a probable reference to another round of Market Facilitation Program payments in 2020.). In Brazil, a group of analysts expect the country's 2019/20 soybean acres to increase by 2.3% to 90.688 million acres, which could lead to a production exceeding 2018/19 by 6.8% to 4.512 billion bushels, if realized.

South African Futures Exchange

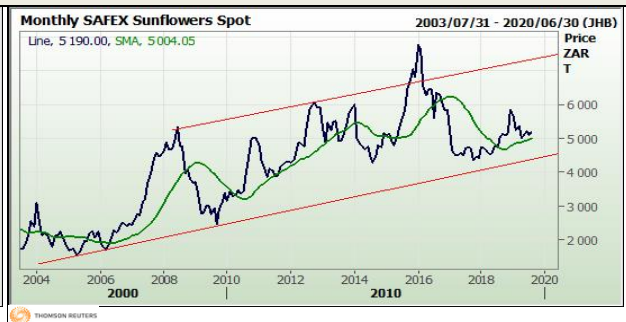
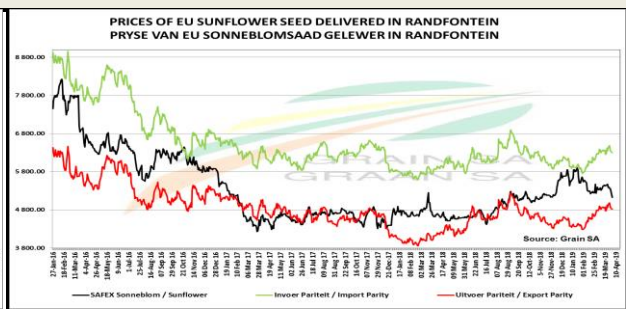
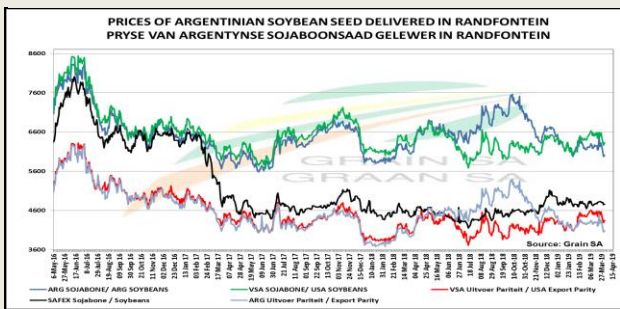
	MTM	Vols	Parity Change	Market Price
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019	R 5 515.00	0%		R 5 515.00
Dec 2019	R 5 607.00	14%		R 5 607.00
Jul 2019				

	MTM	Vols
Dec 2018		
Mar 2019		
May 2019		
Jul 2019		
Sep 2019	R 5 257.00	13.25%
Dec 2019	R 5 412.00	16%
Jul 2019		



The local Soya market traded higher yesterday. The local Aug'19 Soya contract ended R36.00 up and Sep'19 Soya closed R33.00 higher. The parity move for the Aug'19 Soya contract for yesterday was R22.00 positive.

The local Suns market closed mixed yesterday. The local Aug'19 Suns contract closed unchanged while Sep'19 Suns closed R1.00 higher.



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