



Fundamental Report
08 August 2019

Financial Markets

Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand		The record	#VALUE!	#VALUE!
Euro/Rand	16.5917	16.7960	0.2043	1.23%
GBPound/Rand	18.0033	18.2195	0.2162	1.20%
AusDollar/Rand	9.9828	10.1375	0.1547	1.55%
Euro/USDollar	1.1183	1.1209	0.0026	0.23%
GBPound/USDollar	1.2141	1.2164	0.0023	0.19%
AusDollar/USDollar	0.6736	0.6771	0.0035	0.52%
JpyYen/USDollar	106.2600	106.2100	-0.0500	-0.05%

BDLive - The JSE closed higher on Wednesday while the rand slumped through R15/\$ as Eskom's troubles and the protracted US-China trade war led investors to move away from SA assets. The local currency weakened to as low as R15.18/\$ — its worst level in almost a year — after Moody's Investors Service warned on Tuesday that Eskom needed a turnaround plan. The market has been closely watching Moody's comments on SA's fiscal and Eskom as it is the only credit-ratings agency that has not downgraded SA below investment grade. Shortly, after the JSE closed, the rand had weakened 0.96% to R15.0679, 1.19% to R16.9216/€, and 0.9% to R18.3245/£. The euro had firmed 0.22% to \$1.1228.

The benchmark government 10-year bond was weaker, with its yield rising 1.5 basis points, or 0.015 percentage points, to 8.38%. Bonds yields move inversely to bond prices.

By 6pm, gold had gained 2.19% to \$1,506.45/oz — its best level in six years as investors shied away from riskier assets on worries about the continuing US-China trade war. Platinum was 1.87% higher at \$866.58.



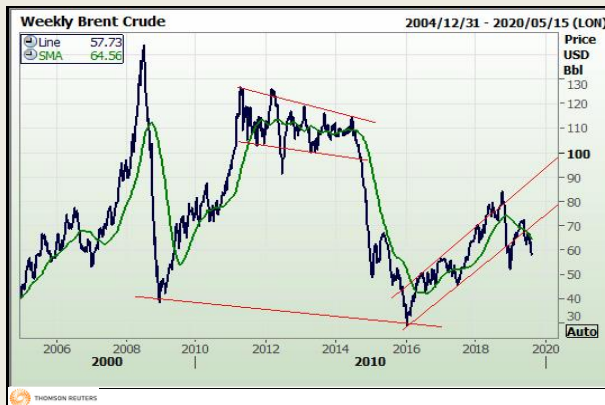
Commodities

	Last	Value Change	% Change
Platinum	863.17	1.17	0.13%
Gold	1500.20	-0.60	-0.04%
Silver	17.15	0.05	0.31%
Copper	2.59	0.02	0.75%
Gasoil	544.50	10.75	1.97%
Brent Oil	57.69	1.46	2.53%

BDLive - Bengaluru — Gold scaled a six-year peak on Wednesday to within striking distance of \$1,500 as investors continued to pile into safe havens to hedge against heightened US-China trade tensions. Spot gold was up 1.5% at \$1,496.05/oz at 12.05pm GMT, having touched \$1,498.57, its highest since April 2013.

US gold futures climbed 1.7% to \$1,508.80, surpassing \$1,500 for the first time in more than six years. The world's two largest economies have been locked for over a year in a bitter trade tussle, which rapidly escalated last week when US President Donald Trump said he would impose additional tariffs on Chinese goods.

On Monday, China responded by allowing its currency to weaken past the 7/\$ mark, prompting Washington to label Beijing a currency manipulator. "The escalation in trade tension is the key backdrop supporting gold prices and the other crucial factor is the massive increase in negative yielding debt," Capital Economics analyst Ross Strachan said.



Financials

	Current Bid	Value Change	% Change
JSE TOP 40	49253.74	0.00	0.00%
ALSI	49180.00	0.00	0.00%
S&P 500	2881.77	2.21	0.08%
FTSE	7171.69	27.01	0.38%
CAC	5266.51	0.00	0.00%
DAX	11650.15	0.00	0.00%
Hang Seng	25997.03	185.42	0.71%



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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	405.00	406.50	2.50	1.50	405.75	-0.75	0.75
DEC 2019	414.00	414.00	1.50	0.00	413.50	-0.50	-0.50
MAR 2010	423.00	423.75	1.75	0.75	423.00	-0.75	0.00
MAY 2010	427.00	428.75	2.25	1.75	428.50	-0.25	1.50
JUL 2010	431.00	432.25	2.25	1.25	432.00	-0.25	1.00

FarmFutures - Corn prices are posting modest gains as December battles to break through its 100-day moving average around \$4.065.

Farm Futures production estimate for corn of 12.7 billion bushels is around 420 million bushels below the average guess in the trade. Our forecast for new crop ending stocks of 1.297 billion bushels is also 275 million tighter than the trade. Still, the average guess from analysts expects USDA to cut its estimates significantly on Monday.

Today's energy report will show how ethanol plants responded to margins that improved a little last week thanks to lower corn feed stock costs, despite record inventories of the biofuel and strong plant efficiency. Basis at plants was firm yesterday as average basis levels were up less than a penny. While bids slipped at ports, barge freight costs eased a little this week letting buyers improve prices a little.

The preliminary report from the CBOT showed daily futures volume down 6% yesterday to 366,447 while open interest fell 254 on modest fund liquidation. Options volume dropped 30% to 102,307, 63% of it calls as traders added the September \$4.50 call and \$3.70 put for short-term protection. Implied volatility in at-the-money December options fell to 25.64%.

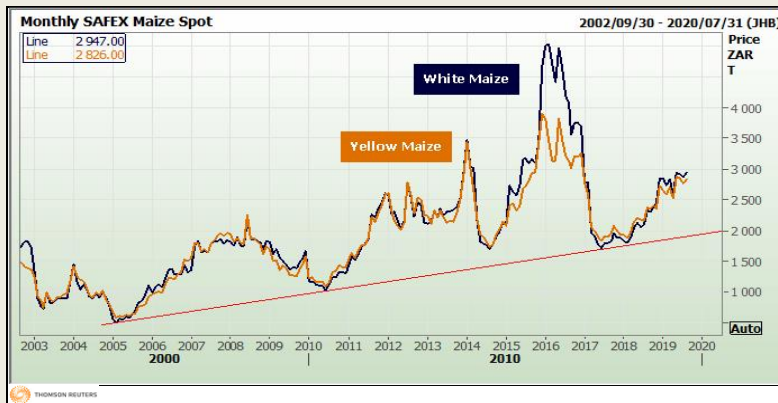
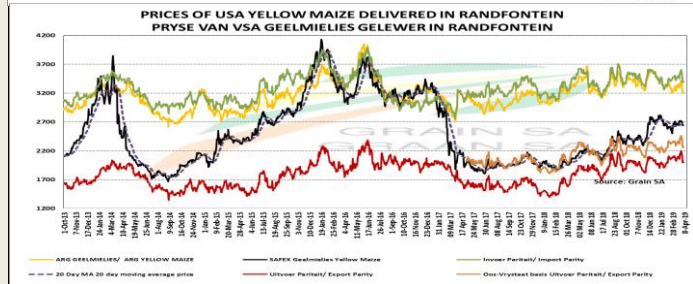
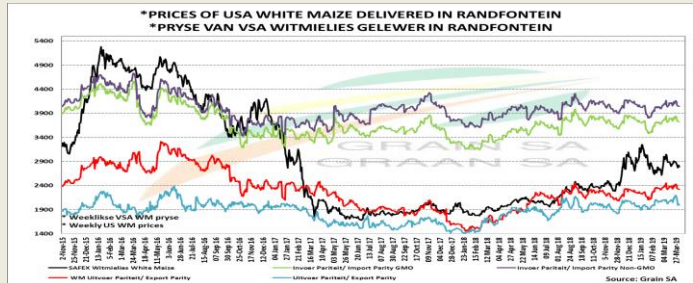
Overseas markets are a penny today. September futures in China were closed at \$6.927 and November Paris futures in afternoon trade are down to \$4.84 after adjustments for volumes and currencies following better rains this week in France.



South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
White Maize Future				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019	R 2 985.00	25%		R 2 985.00
Dec 2019	R 3 072.00	29%		R 3 072.00
Jul 2019				
Yellow Maize Future				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019	R 2 863.00	20.5%		R 2 863.00
Dec 2019	R 2 945.00	20.5%		R 2 945.00
Jul 2019				

The local Maize market traded higher yesterday. The local Aug'19 WMAZ contract ended R25.00 up and Aug'19 YMAZ closed R27.00 higher. The Sep'19 WMAZ closed higher by R26.00 and Sep'19 YMAZ ended R34.00 up. The parity move for the Aug'19 Maize contract for yesterday was R28.00 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	483.00	488.25	4.25	5.25	487.50	-0.75	4.50	SEP 2019	417.00	417.75	-0.25	0.75	417.25	-0.50	0.25
DEC 2019	487.00	491.25	3.50	4.25	489.75	-1.50	2.75	DEC 2019	433.00	435.25	0.50	2.25	434.75	-0.50	1.75
MAR 2010	495.00	500.00	4.00	5.00	499.75	-0.25	4.75	MAR 2010	450.00	452.50	1.00	2.50	453.50	1.00	3.50
MAY 2010	501.00	505.75	4.00	4.75	506.25	0.50	5.25	MAY 2010	461.00	463.75	1.25	2.75	464.25	0.50	3.25
JUL 2010	506.00	510.00	3.50	4.00	509.25	-0.75	3.25	JUL 2010	467.75	471.75	2.75	4.00	472.00	0.25	4.25



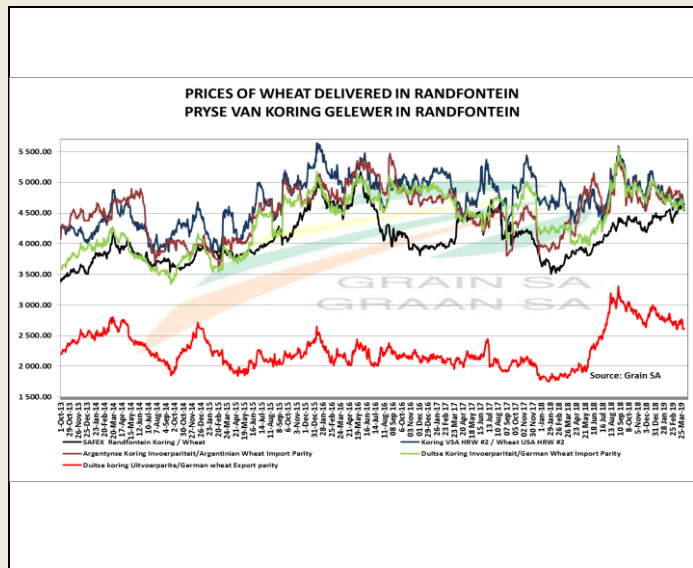
FarmFutures - Wheat prices are mostly firm today as futures hold to recent ranges and downtrends. Farm Futures sees few changes from USDA next week in its wheat balance sheet, with production up a little, raising ending stocks around 6 million bushels. That also the opinion of the average guess in the trade. Export news remains more of the same, with the U.S. mostly selling to regular customers. That includes Japan, which as usual will fill its regular weekly tender with grain from the U.S., Canada and Australia. Egypt filled a big 15-million-bushel tender Tuesday out of the Black Sea, with U.S. originations out of the Gulf around 75 cents off the highest delivered price in the deal from Russia. Volume in soft red winter wheat fell 10% yesterday to 125,269 while open interest dropped 3,049 despite light new fund selling. Options volume was 4% lower at 28,383, 54% of it calls as traders rolled down September options. Implied volatility in December at-the-money options fell to 22.52%.

Volume in HRW rose 14% to 56,186 on open interest that fell 1,294.

Overseas markets are mixed. January futures for Eastern Australian Wheat gained 3.7 cents to \$6.24 and December futures in Paris wheat in afternoon trade are down a penny at \$5.324 after adjustments for currencies and volumes.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
Bread Milling Wheat				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019	R 4 500.00	0%		R 4 500.00
Dec 2019	R 4 487.00	12.5%		R 4 487.00
Jul 2019				
Cape Wheat				
Dec 2018				
Mar 2019				
May 2019				
Jul 2019				
Sep 2019				
Dec 2019				
Jul 2019				



The local Wheat market closed mixed yesterday. The local Aug'19 Weat contract closed R21.00 up while Sep'19 Weat closed R3.00 lower. The parity move for the Aug'19 Weat contract for yesterday was R53.00 positive.



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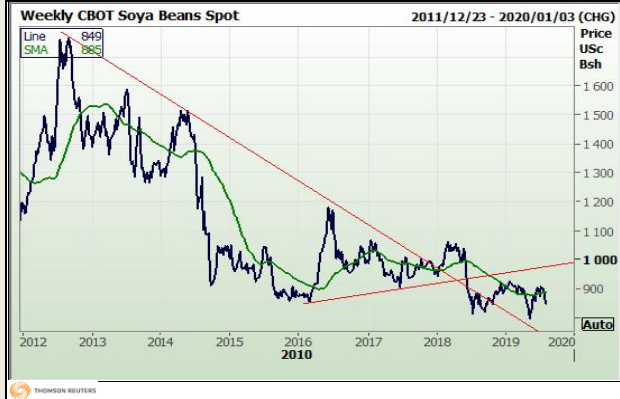
Oil Seed Market

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	848.00	848.75	1.00	0.75	0.00	-848.75
SEP 2019	854.00	854.00	1.00	0.00	854.25	0.25
NOV 2019	867.00	866.75	1.00	-0.25	866.50	-0.25
JAN 2010	880.00	880.25	1.00	0.25	879.75	-0.50
MAR 2010	891.00	891.75	1.00	0.75	891.50	-0.25

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
AUG 2019	293	293.20
SEP 2019	295	294.90
OCT 2019	296.7	297.00
DEC 2019	300	299.90
JAN 2010	301.8	301.70

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
AUG 2019	27.96	0.00
SEP 2019	28.01	28.05
OCT 2019	28.12	28.14
DEC 2019	28.37	28.39
JAN 2010	28.61	28.63



FarmFutures - Soybeans are a little higher today, keeping November around the 61.8% retracement of its summer rally. Lack of any new broadsides in the trade war with China has markets settling down, at least on that issue. Farm Futures estimate of soybean production of 3.816 billion bushels is 30 million higher than the average trade guess, while we're 60 million higher on carryout due to weak demand. Still, the trade's not really looking for big changes from USDA, which could leave the market vulnerable to a surprise. Deliveries against August remain heavy at 1,066 today, most of them in Chicago, where cash is 25 cents below option. The preliminary report from the CBOT showed futures volume down 38% yesterday to 122,413 while open interest was up 1,555 on light new fund selling. Options volume plunged 58% to a thin 29,575, another indication the market's focus isn't on beans. Calls accounted for 56% of the volume as traders continue to liquidate out-of-the-money November calls, with new interest noted in the July \$8.40 put. Implied volatility in November at-the-money options dropped to 16.64%. Vegetable oil markets in Asia were little changed today. September soybean oil futures in China edged lower to settle at 36.741 cents per pound while September palm oil futures in Malaysia was higher at 22.46 cents. Oilseed markets internationally are mixed. September soybean futures in China lost 7 cents to close at \$13.058, November rapeseed futures in Paris are up a half-cent at \$9.488 and November Winnipeg canola overnight lost 2 cents to \$7.62 adjustments for volumes and currencies.

South African Futures Exchange

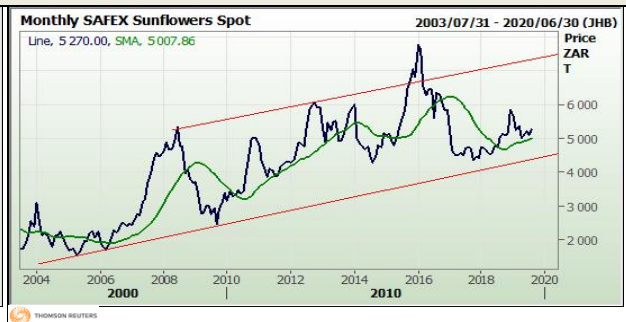
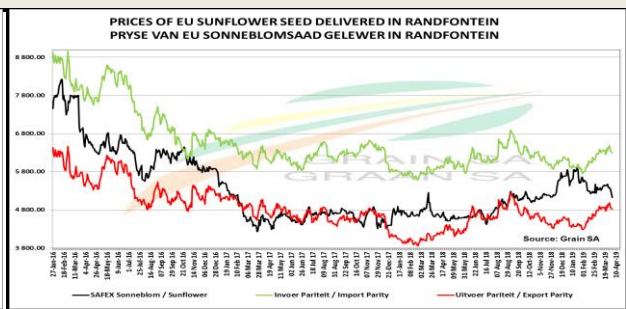
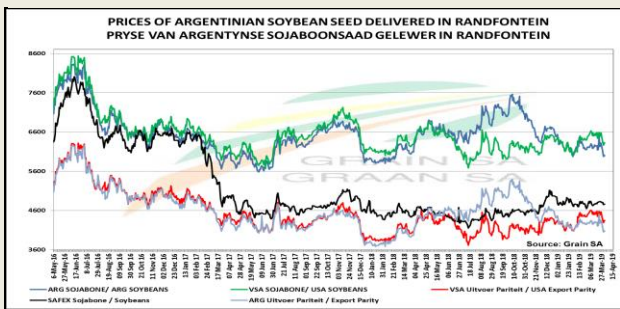
Soybean Future			
	MTM	Vols	Market Price
Dec 2018			
Mar 2019			
May 2019			
Jul 2019			
Sep 2019	R 5 545.00	0%	R 5 545.00
Dec 2019	R 5 645.00	14%	R 5 645.00
Jul 2019			

Sunflower Seeds Future		
	MTM	Vols
Dec 2018		
Mar 2019		
May 2019		
Jul 2019		
Sep 2019	R 5 332.00	13.25%
Dec 2019	R 5 475.00	16%
Jul 2019		



The local Soya market traded higher yesterday. The local Aug'19 Soya contract ended R44.00 up and Sep'19 Soya closed R30.00 higher. The parity move for the Aug'19 Soya contract for yesterday was R53.00 positive.

The local Suns market closed higher yesterday. The local Aug'19 Suns contract closed R80.00 up and Sep'19 Suns closed R75.00 higher.



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