



Fundamental Report
31 October 2019

Financial Markets

Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	14.6302	14.9710	0.3408	2.33%
Euro/Rand	16.2551	16.7194	0.4643	2.86%
GBPound/Rand	18.8490	19.3505	0.5015	2.66%
AusDollar/Rand	10.0553	10.3629	0.3076	3.06%
Euro/USDollar	1.1111	1.1165	0.0054	0.49%
GBPound/USDollar	1.2885	1.2929	0.0044	0.34%
AusDollar/USDollar	0.6873	0.6922	0.0049	0.71%
JpyYen/USDollar	108.8400	108.6400	-0.2000	-0.18%

BDLive - The JSE ended a little higher on Wednesday, while the rand plunged after finance minister Tito Mboweni's medium-term budget policy statement (MTBPS) laid bare the country's dire economic situation.

Delivering the medium-term budget in parliament, Mboweni said the government's budget deficit is set to be two percentage points higher, on average, over the next three years than forecast when the budget was tabled just eight months ago.

North West University Business School economist, professor Raymond Parsons, said: "Given the domestic and global headwinds facing the SA economy, the MTBPS strongly shifts the narrative towards recognising the grim nature of the fiscal crisis that has to be addressed in SA."

Mboweni confirmed that "unless progress is made in reducing the cost-drivers of government as well as state-owned enterprises (SOEs) such as Eskom, SA is in danger of falling into a debt trap", Parsons said.



Commodities

	Last	Value Change	% Change
Platinum	927.69	2.07	0.22%
Gold	1497.82	2.62	0.18%
Silver	17.89	0.03	0.18%
Copper	2.68	0.00	-0.06%
Gasoil	578.50	-3.50	-0.61%
Brent Oil	60.88	0.27	0.44%

BDLive - Bengaluru — Gold prices firmed on Wednesday as a possible delay in US-China trade deal stalled a rally in equities, while investors shifted focus to a US central bank meeting later in the day where it is expected to cut interest rates.

Spot gold rose 0.1% to \$1,488.63/oz, as of 4.17am GMT. US gold futures were little changed at \$1,490.80.

"We seem to be at a bit of an equilibrium around here, stuck between \$1,480 and \$1,520. If the US Federal Reserve is more dovish in their outlook, it could be enough to drive gold higher," said Oanda analyst Jeffrey Halley.

"However, if the Fed holds rates, it would be negative for gold because that would probably see treasury yields move higher again as well, which reduces gold's appeal as an investment asset."



Financials

	Current Bid	Value Change	% Change
JSE TOP 40	49629.32	0.00	0.00%
ALSI	49861.00	0.00	0.00%
S&P 500	3036.89	9.88	0.33%
FTSE	7306.26	24.52	0.34%
CAC	5765.87	0.00	0.00%
DAX	12910.23	0.00	0.00%
Hang Seng	26667.71	325.77	1.22%



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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
DEC 2019	387.00	390.75	4.50	3.75	390.50	-0.25	3.50
MAR 2010	396.00	399.50	3.50	3.50	399.00	-0.50	3.00
MAY 2010	403.00	405.25	2.50	2.25	404.50	-0.75	1.50
JUL 2010		410.50		#VALUE!	409.75	-0.75	#VALUE!
SEP 2010	402.00	403.00	0.50	1.00	402.50	-0.50	0.50

FarmFutures - Corn prices firmed about 1% higher Wednesday as more inclement weather rakes across the Corn Belt with more than half of the crop still in the ground. December futures rose 4.5 cents to \$3.9075, with March futures falling just short of \$4 after picking up 3.5 cents to \$3.9950. Corn basis bids were also firm today – especially at interior river terminals, where they leapt 4 to 15 cents higher to incentivize more farmer sales, which have been relatively sluggish recently. Most other Midwestern locations held steady. Ahead of tomorrow morning's export report from USDA, analysts expect the agency to show corn sales ranging between 11.8 million and 31.5 million bushels for the week ending October 24. Critics came en masse to an EPA public hearing in Michigan today to complain about the Trump Administration's proposals to increase ethanol consumption in an attempt to make up for volume lost from granting multiple blending exemptions to refineries. Several commodity groups, including the NCGA, also issued statements today. "Good intentions don't provide certainty. Without a binding commitment that the RFS will be kept whole, this rule gives EPA free rein to change direction any time," according to ethanol action team member Brian Thalmann. Ethanol production for the week ending October 25 reached a seven-week high after clearing a daily average of 1.004 million barrels. December futures held steady this afternoon, at \$1.419. In China, favorable fall weather has helped the country's corn harvest move along relatively smoothly. China could produce upwards of 10.354 billion bushels of corn this year.

South Korea purchased 2.7 million bushels of corn from optional origins in an international tender that closed earlier today. The grain is for arrival in early February.

Taiwan purchased 2.5 million bushels of corn from Brazil in an international tender that closed earlier today. The grain is for shipment in January.

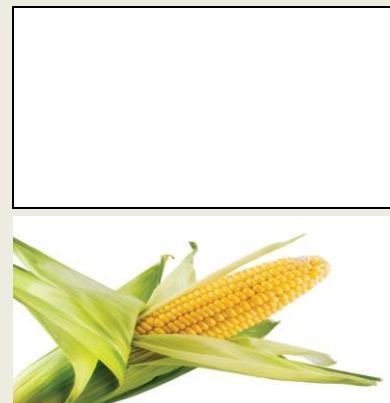
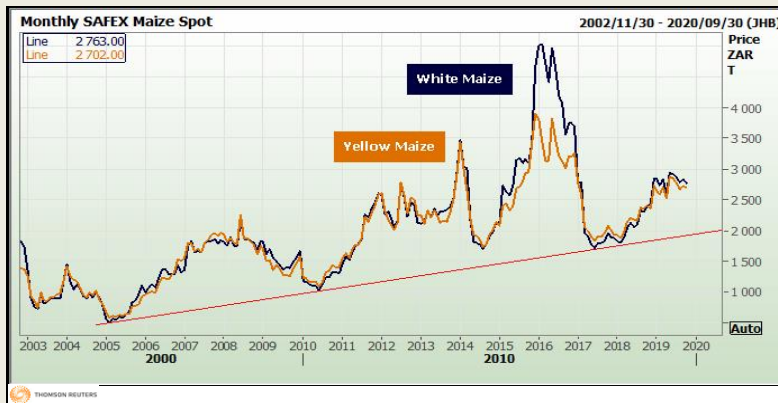
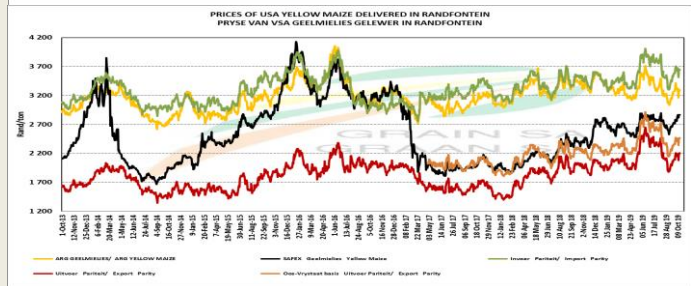
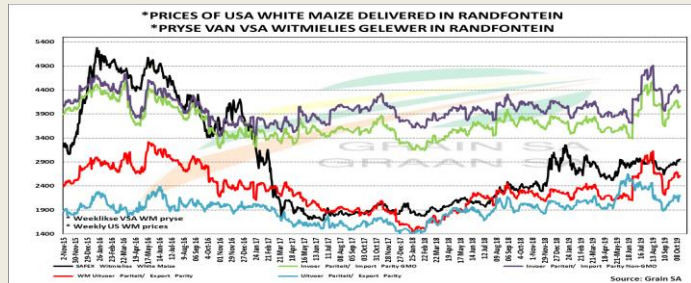
Preliminary volume estimates were for 286,823 contracts, rising slightly above Tuesday's final count of 245,361.



South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
White Maize Future				
Sep 2019				
Dec 2019	R 2 779.00	26.75%	R 72.55	R 2 851.55
Mar 2020	R 2 805.00	33.25%		R 2 805.00
May 2020	R 2 694.00	0%		R 2 694.00
Jul 2020	R 2 688.00	32.5%		R 2 688.00
Sep 2020	R 2 750.00	0%		R 2 750.00
Dec 2020	R 2 824.00	29%		R 2 824.00
Yellow Maize Future				
Sep 2019				
Dec 2019	R 2 710.00	22.5%	R 72.55	R 2 782.55
Mar 2020	R 2 713.00	21.5%		R 2 713.00
May 2020	R 2 611.00	0%		R 2 611.00
Jul 2020	R 2 608.00	20%		R 2 608.00
Sep 2020	R 2 665.00	0%		R 2 665.00
Dec 2020	R 2 744.00	0%		R 2 744.00

The local Maize market traded lower yesterday. The Dec'19 WMAZ contract ended R39.00 down and Dec'19 YMAZ closed R13.00 lower. The Mar'20 WMAZ closed lower by R37.00 and Mar'20 YMAZ ended R15.00 down. The parity move for the Dec'19 Maize contract for yesterday was R74.00 positive.

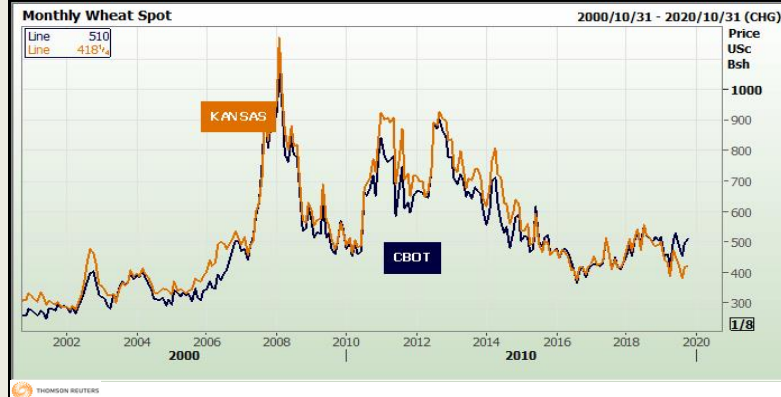


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Wheat Market

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
DEC 2019	510.00	509.25	-2.25	-0.75	510.00	0.75	0.00	DEC 2019	418.00	418.25	-0.75	0.25	418.25	0.00	0.25
MAR 2010	516.00	515.00	-2.50	-1.00	515.50	0.50	-0.50	MAR 2010	431.00	430.50	-1.00	-0.50	430.50	0.00	-0.50
MAY 2010	520.00	519.75	-2.75	-0.25	520.25	0.50	0.25	MAY 2010	440.00	439.25	-1.50	-0.75	439.25	0.00	-0.75
JUL 2010	525.00	524.50	-2.75	-0.50	525.00	0.50	0.00	JUL 2010	449.00	447.75	-2.00	-1.25	448.00	0.25	-1.00
SEP 2010	535.00	532.00	-2.75	-3.00	532.25	0.25	-2.75	SEP 2010	458.50	457.75	-2.00	-0.75	0.00	-457.75	-458.50



FarmFutures - Wheat prices tilted slightly lower Wednesday as fears over another tepid round of export data from USDA, due tomorrow morning, sparked some technical selling. December Chicago SRW futures dropped 2.25 cents to \$5.0925, December Kansas City HRW futures slipped 0.25 cents to \$4.1875, and December MGEX spring wheat futures fell 2.25 cents to \$5.2350.

Ahead of Thursday morning's export report from USDA, analysts expect the agency to show wheat sales ranging between 7.3 million and 18.4 million bushels for the week ending October 24. The prior week's tally was for a meager 9.6 million bushels.

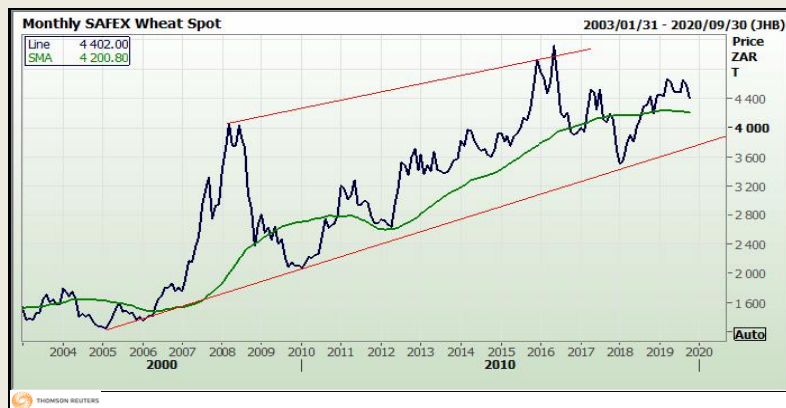
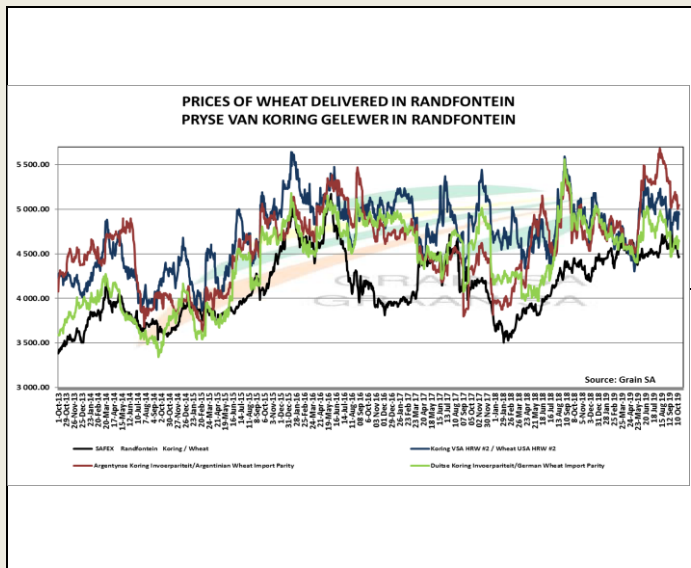
In Australia, widespread drought continues to be a major concern, with the country's wheat production expected to drop to the lowest levels in ten years, at an estimated 617.3 million bushels.

China sold 2.8 million bushels of its state reserves of wheat at auction today, which was 2.5% of the total available for sale.

Preliminary volume estimates were for 61,294 CBOT contracts, falling moderately below Tuesday's final count of 84,232.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
Bread Milling Wheat				
Sep 2019				
Dec 2019	R 4 447.00	11%	R 63.86	R 4 510.86
Mar 2020	R 4 553.00	9.5%		R 4 553.00
May 2020	R 4 620.00	0%		R 4 620.00
Jul 2020	R 4 674.00	0%		R 4 674.00
Sep 2020				
Dec 2020				
Cape Wheat				
Sep 2019				
Dec 2019				
Mar 2020				
May 2020				
Jul 2020				
Sep 2020				
Dec 2020				



The local Wheat market closed mixed yesterday. The Dec'19 Wheat contract closed R6.00 down while Mar'20 Wheat closed R5.00 higher. The parity move for the Dec'19 Wheat contract for yesterday was R63.00 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
NOV 2019	921.00	916.00	-2.25	-5.00	918.50	2.50
JAN 2010	936.00	930.50	-3.00	-5.50	933.50	3.00
MAR 2010	949.00	943.50	-2.75	-5.50	946.25	2.75
MAY 2010	961.00	955.00	-2.75	-6.00	957.50	2.50
JUL 2010	971.00	965.25	-3.00	-5.75	967.50	2.25

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
DEC 2019	302.2	302.80
JAN 2010	304.8	305.50
MAR 2010	308.5	308.80
MAY 2010	312.2	312.70
JUL 2010	316.2	316.60

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
DEC 2019	30.98	30.96
JAN 2010	31.2	31.19
MAR 2010	31.48	31.47
MAY 2010	31.77	31.71
JUL 2010	32.04	32.01



FarmFutures - Soybean prices eased slightly over lingering concerns over whether the U.S. and China will be able to sign a "phase one" trade deal next month. But worries over rain- and snow-related harvest disruptions this week kept losses minimized. November futures dropped 2.25 cents to \$9.16, with January futures down 3 cents to \$9.305.

Soybean basis bids moved 2 to 8 cents higher across a handful of Midwestern locations Wednesday, holding steady elsewhere in the central U.S. today. As with corn, soybean sales have been generally slow this week.

Private exporters reported to USDA the sale of 4.9 million bushels of soybeans for delivery to unknown destinations during the 2019/20 marketing year, which began September 1. Ahead of Thursday morning's export report from USDA, analysts expect the agency to show soybean sales totaling between 18.4 million and 40.4 million bushels for the week ending October 24. Even the low end of that range would surpass the prior week's tally of 17.5 million bushels.

Analysts also anticipate USDA will report soy meal sales totaling between 100,000 and 250,000 metric tons last week, plus another 0 to 24,000 MT of soy oil sales.

Preliminary volume estimates were for 337,904 contracts, falling moderately below Tuesday's final count of 422,972.

South African Futures Exchange

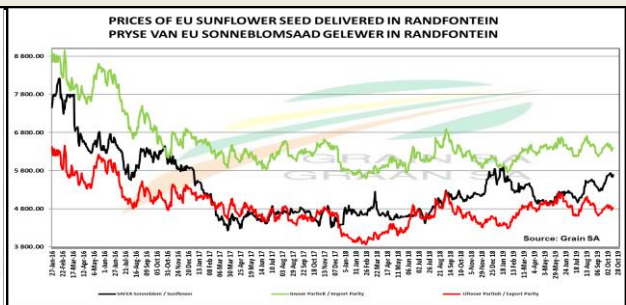
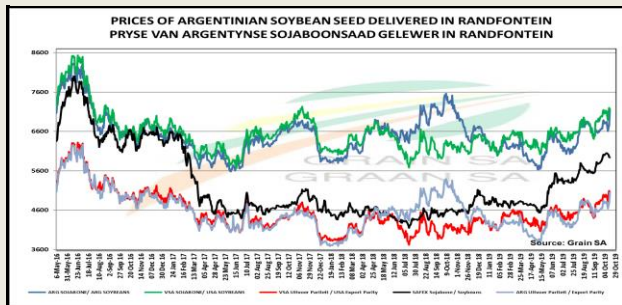
Soybean Future			
	MTM	Vols	Market Price
Sep 2019			
Dec 2019	R 5 917.00	14%	R 5 917.00
Mar 2020	R 5 914.00	0%	R 5 914.00
May 2020	R 5 770.00	17%	R 5 770.00
Jul 2020	R 5 850.00	20.5%	R 5 850.00
Sep 2020	R 5 920.00	0%	R 5 920.00
Dec 2020			

Sunflower Seeds Future		
	MTM	Vols
Sep 2019		
Dec 2019	R 5 530.00	16%
Mar 2020	R 5 564.00	0%
May 2020	R 5 464.00	13.5%
Jul 2020	R 5 520.00	0%
Sep 2020		
Dec 2020	R 5 613.00	0%



The local Soya market traded higher yesterday. The Dec'19 Soya contract ended R25.00 up and Mar'20 Soya closed R32.00 higher. The parity move for the Dec'19 Soya contract for yesterday was R103.00 positive.

The local Suns market closed lower yesterday. The Dec'19 Suns contract closed R26.00 down and Mar'20 Suns closed R23.00 lower.



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