



**Fundamental Report**  
**15 November 2019**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	14.8667	14.7924	-0.0743	-0.50%
Euro/Rand	16.3549	16.3069	-0.0480	-0.29%
GBPound/Rand	19.0962	19.0417	-0.0545	-0.29%
AusDollar/Rand	10.1004	10.0455	-0.0549	-0.54%
Euro/USDollar	1.1000	1.1024	0.0024	0.22%
GBPound/USDollar	1.2849	1.2879	0.0030	0.23%
AusDollar/USDollar	0.6794	0.6791	-0.0003	-0.04%
JpyYen/USDollar	108.5800	108.5700	-0.0100	-0.01%

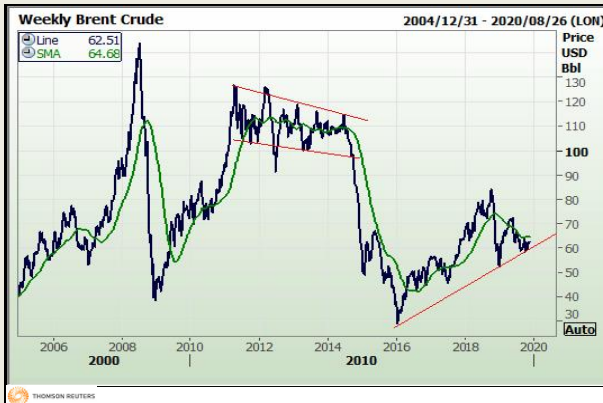
BDLive - The JSE could benefit from a return of US-China trade war optimism on Friday, with that issue responsible for subdued trading on global markets for much of the past week. White House economic adviser Larry Kudlow said on Thursday the US and China are down to the final steps of agreeing on a "phase one" trade deal, surprising the market. While risk assets were benefiting, it was worth noting the market was just moving back to the view that such a deal had been reached, said AxiTrader senior market analyst Stephen Innes in a note. The question is now how long a "phase two" deal will take, he said. At 6.10am Hong Kong's Hang Seng was up 0.32%, while the Shanghai Composite was flat. Gold had slipped 0.36% to \$1,465.65/oz while platinum was flat at \$881.55/oz. Brent crude was 0.37% firmer at \$62.54 a barrel. The rand was 0.17% firmer at R14.7899/\$. The lower price of gold and a stronger rand may weigh on local gold miners, who sell their product in dollars. There is little on the corporate calendar on Friday, though Ocean Group's share price could react to news after markets closed on Thursday that headline earnings per share fell by a quarter in its year to end-September. Adverse weather conditions curtailed the performance of its fish meal and fish oil segment in both SA and the US.



### Commodities

	Last	Value Change	% Change
Platinum	877.86	-2.43	-0.28%
Gold	1463.56	-7.39	-0.50%
Silver	16.85	-0.16	-0.95%
Copper	2.64	0.01	0.55%
Gasoil	581.25	0.50	0.09%
Brent Oil	62.50	0.22	0.35%

BDLive - Gold rose on Thursday, extending gains to a third session, as weak Chinese data and doubts about whether Beijing and Washington will reach a trade deal any time soon dented demand for riskier assets. Spot gold was up 0.4% at \$1,468.10 an ounce, as of 11.03am GMT, having climbed to a near one-week high of \$1,470.33 earlier in the session. US gold futures also rose 0.4% at \$1,468.90 an ounce. China and the US are holding "in-depth" discussions on a first-phase trade agreement, and cancelling tariffs is an important condition to reaching a deal, the Chinese commerce ministry said. "We are seeing some risk aversion in the markets," said Craig Erlam, Oanda senior market analyst: "The commentary from both sides has kind of taken away some optimism around this phase one deal." On Tuesday, US President Donald Trump said a trade deal with China was "close" but offered no details and warned that he would raise tariffs "substantially" on Chinese goods without such an accord.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	50012.48	0.00	0.00%
ALSI	50091.00	0.00	0.00%
S&P 500	3094.04	2.59	0.08%
FTSE	7351.21	-58.45	-0.80%
CAC	5901.08	0.00	0.00%
DAX	13180.23	0.00	0.00%
Hang Seng	26323.69	74.55	0.28%



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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	376.00	375.75	0.50	-0.25	376.25	0.50	0.25
MAR 2020	385.00	384.75	0.75	-0.25	385.00	0.25	0.00
MAY 2020	391.00	390.75	1.00	-0.25	390.75	0.00	-0.25
JUL 2020	397.00	396.50	0.75	-0.50	396.50	0.00	-0.50
SEP 2020	393.00	394.00	1.25	1.00	394.00	0.00	1.00

FarmFutures - Corn prices moved fractionally higher on some light technical selling as traders continue to ponder the exact size and production potential of this year's embattled U.S. crop. December futures inched ahead half a penny to \$3.757, with March futures up 0.75 cents to \$3.8475.

Corn basis bids were mostly flat to slightly mixed Thursday, moving a penny in either direction, with the exception of an Indiana ethanol plant that firmed 8 cents higher to boost additional sales there.

Ahead of Friday morning's weekly export report from USDA (which was delayed one day due to Monday's Veteran's Day holiday), analysts expect the agency to show corn sales totaling between 15.7 million and 31.5 million bushels for the week ending November 7.

Ethanol production rose for a fifth consecutive week for the period ending November, 8, according to the U.S. Energy Information Administration. Last week, ethanol plant production averaged 1.030 million barrels per day, up from 1.014 million daily barrels the prior week. With stocks trending downward, January ethanol futures were up more than 1% this afternoon, to \$1.403.

Consultancy Strategie Grains slightly lowered its estimates for 2019/20 European Union corn production to just under 2.500 billion bushels.

Farmers reporting to Feedback From The Field so far in November are seeing average yields a little better than USDA estimates from last week, with corn at 169.6 bushels per acre and soybeans running at 48.9 bpa. Click here to tell us what's happening in your area.

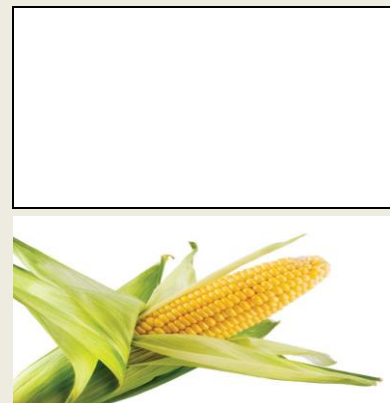
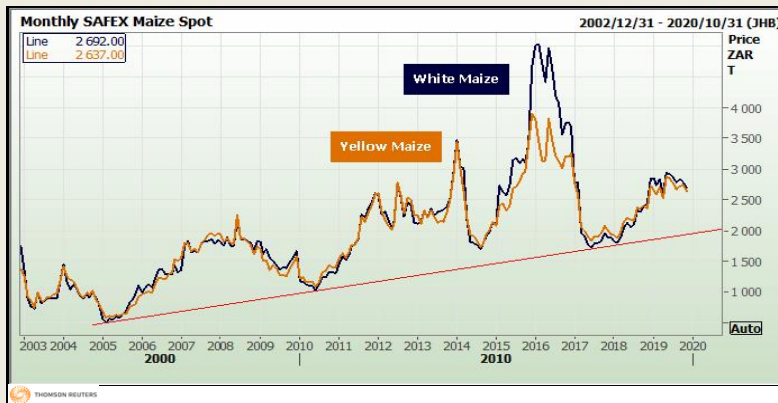
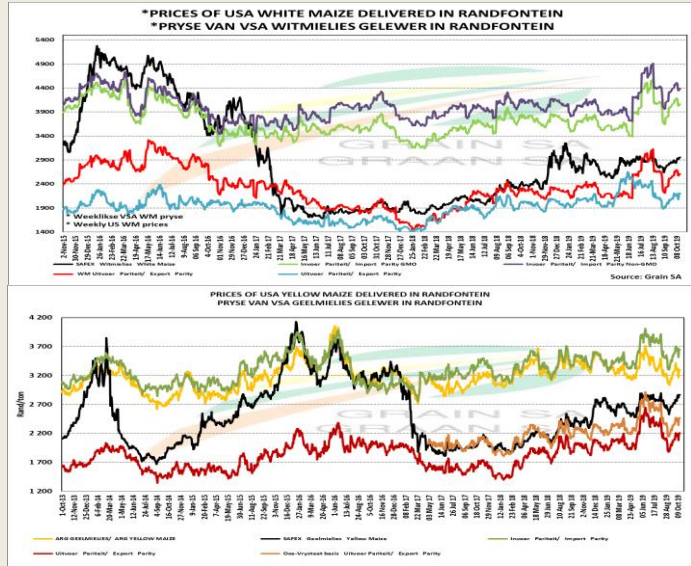
Preliminary volume estimates were for 283,030 contracts, down moderately from Wednesday's final count of 391,439.



### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
Sep 2019				
Dec 2019	R 2,712.00	25.5%	R -9.54	R 2,702.46
Mar 2020	R 2,747.00	32.75%	R -11.26	R 2,735.74
May 2020	R 2,715.00	0%	R -12.89	R 2,702.11
Jul 2020	R 2,713.00	31%	R -14.52	R 2,698.48
Sep 2020	R 2,755.00	0%	R -5.67	R 2,749.33
Dec 2020	R 2,837.00	29%		R 2,837.00
<b>Yellow Maize Future</b>				
Sep 2019				
Dec 2019	R 2,656.00	20%	R -9.54	R 2,646.46
Mar 2020	R 2,673.00	21.5%	R -11.26	R 2,661.74
May 2020	R 2,638.00	0%	R -12.89	R 2,625.11
Jul 2020	R 2,625.00	20%	R -14.52	R 2,610.48
Sep 2020	R 2,667.00	0%	R -5.67	R 2,661.33
Dec 2020	R 2,747.00	0%		R 2,747.00

The local Maize market traded mixed yesterday. The Dec'19 WMAZ contract ended R14.00 up while Dec'19 YMAZ closed R12.00 lower. The Mar'20 WMAZ closed higher by R12.00 while Mar'20 YMAZ ended R12.00 down. The parity move for the Dec'19 Maize contract for yesterday was R17.00 negative.

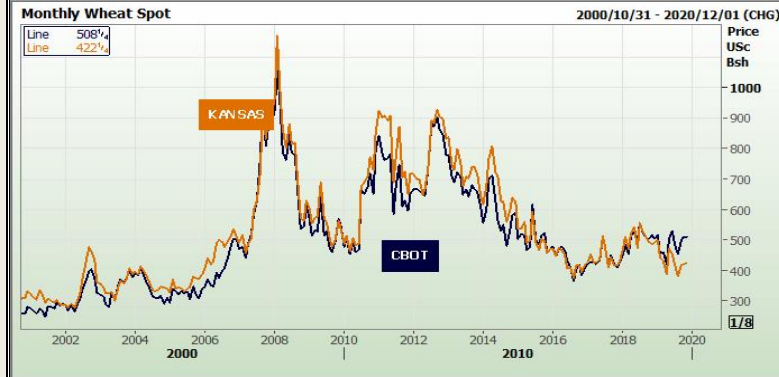


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## Wheat Market

### Chicago Board of Trade and Kansas Board of Trade

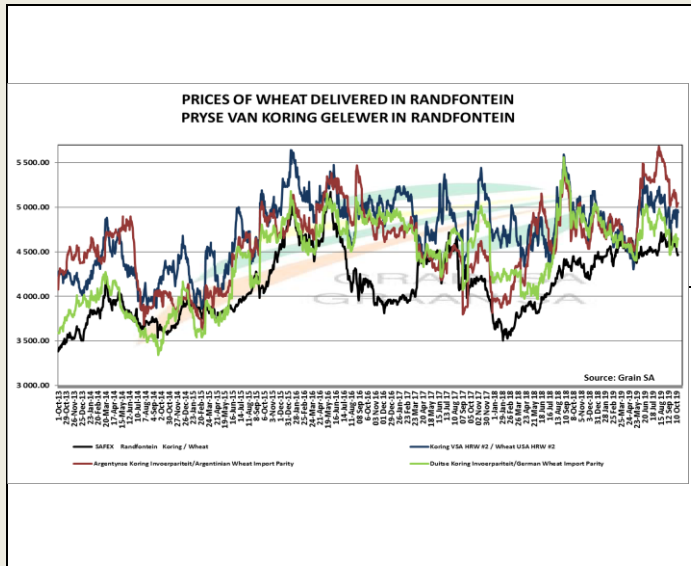
CBOT Wheat								KBOT Wheat							
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm	Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
DEC 2019	510.00	507.75	-1.25	-2.25	508.25	0.50	-1.75	DEC 2019	428.00	422.25	-2.50	-5.75	422.25	0.00	-5.75
MAR 2020	515.00	511.00	-2.75	-4.00	511.00	0.00	-4.00	MAR 2010	436.00	430.75	-2.50	-5.25	430.50	-0.25	-5.50
MAY 2020	519.00	516.00	-2.75	-3.00	516.25	0.25	-2.75	MAY 2010	443.00	438.00	-2.00	-5.00	438.00	0.00	-5.00
JUL 2020	523.00	519.50	-3.00	-3.50	519.75	0.25	-3.25	JUL 2010	450.00	445.00	-1.50	-5.00	445.50	0.50	-4.50
SEP 2020	530.00	527.00	-2.50	-3.00	529.00	2.00	-1.00	SEP 2010	457.00	453.75	-1.75	-3.25	453.75	0.00	-3.25



FarmFutures - Wheat prices sputtered again Thursday as focus returned to large domestic stocks and tepid expectations for export sales this past week. December Chicago SRW futures slipped 1.25 cents to \$5.0775, December Kansas City HRW futures dropped 2.75 cents to \$4.22, and December MGEX spring wheat futures fell 2.5 cents to \$5.1250. Ahead of Friday morning's weekly export sales report from USDA, analysts expect the agency to show wheat sales totaling between 7.3 million and 18.4 million bushels for the week ending November 7. Consultancy Strategie Grains is noting an uptick in the competitiveness of European Union wheat on the world market, raising its outlook for exports outside of the EU by 5.5% from last month to 1.058 million bushels this marketing year. Ukraine's agriculture ministry expects the country's wheat acres to fall 3.3% from a year ago to 14.579 million acres. Ukraine still looks to continue its role as a major wheat producer and exporter, with total production of around 1.029 billion bushels this year. The Buenos Aires Grains Exchange lowered its estimates for Argentina's 2019/20 wheat production by 1.6% to 697.8 million bushels, citing difficulties with Fusarium in some fields. The market's inability to hold gains from Tuesday's one-day round of short-covering is an indication of headwinds that wheat futures currently face, despite an outlook that's slowly improving. Egypt purchased 17.1 million bushels of wheat in an international tender that closed earlier today.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
Sep 2019				
Dec 2019	R 4,395.00	11%	R -23.44	R 4,371.56
Mar 2020	R 4,495.00	7.75%	R -35.80	R 4,459.20
May 2020	R 4,560.00	0%	R -29.12	R 4,530.88
Jul 2020	R 4,613.00	0%	R -31.94	R 4,581.06
Sep 2020	R 4,632.00	0%	R -19.90	R 4,612.10
Dec 2020				
<b>Cape Wheat</b>				
Sep 2019				
Dec 2019				
Mar 2020				
May 2020				
Jul 2020				
Sep 2020				
Dec 2020				



The local Wheat market closed neutral to lower yesterday. The Dec'19 Wheat contract closed R5.00 down and Mar'20 Wheat closed R13.00 lower. The parity move for the Dec'19 Wheat contract for yesterday was R32.00 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
JAN 2010	901.00	916.75	1.50	15.75	902.00	-14.75
MAR 2020	914.00	929.50	1.00	15.50	931.25	1.75
MAY 2020	927.00	941.25	0.50	14.25	942.75	1.50
JUL 2020	940.00	951.25	-0.25	11.25	952.75	1.50
AUG 2020	952.00	954.25	-0.75	2.25	956.00	1.75

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
DEC 2019	303.1	304.20
JAN 2010	305.3	306.30
MAR 2010	308.4	309.50
MAY 2010	311	312.10
JUL 2010	313.8	314.70

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
DEC 2019	30.78	30.74
JAN 2010	30.97	30.93
MAR 2010	31.24	31.20
MAY 2010	31.57	31.52
JUL 2010	31.86	31.81



FarmFutures - Soybean prices were mixed today, with November futures down slightly while January futures crept slightly higher. Traders were encouraged by another large sale reported to China this morning but still have lingering concerns about the overall state of U.S.-China trade negotiations. The two countries still hope to ink a partial trade deal next month but have yet to set a date or venue as they attempt to iron out some lingering disagreements. November futures dropped 2.25 cents to \$9.0025, but January futures firmed 1.5 cents to \$9.1675. Soybean basis bids rose 5 to 10 cents higher at three Midwestern processors Thursday but were mostly steady elsewhere across the central U.S. today. Farmers have been mostly holding on to their harvested grain so far this fall. Private exporters reported to USDA the sale of 4.7 million bushels of soybeans for delivery to China during the 2019/20 marketing year, which began September 1.

Analysts are expecting another big week of soybean export sales when USDA releases its next round of data Friday morning, estimating they will range between 29.4 million and 51.4 million bushels for the week ending November 7. Analysts also expect USDA to report an additional 100,000 to 350,000 metric tons of soy meal sales, plus 5,000 to 25,000 MT of soy oil sales.

Preliminary volume estimates were for 140,543 contracts, falling moderately below Wednesday's final count of 171,762.

### South African Futures Exchange

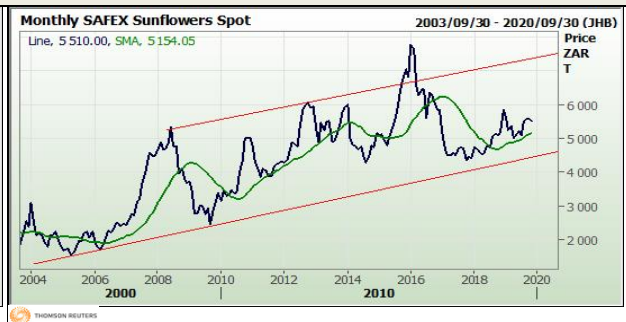
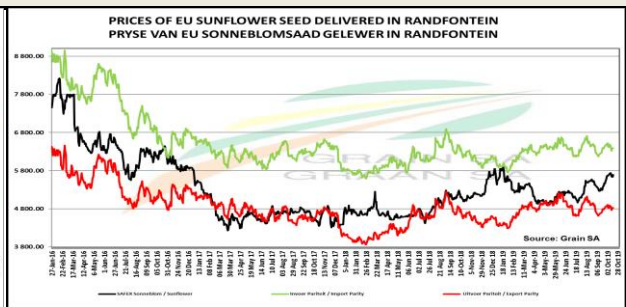
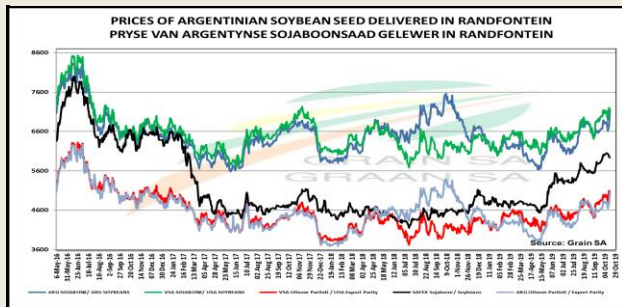
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Sep 2019				
Dec 2019	R 6,083.00	14%		R 6,083.00
Mar 2020	R 6,063.00	17%	R 68.81	R 6,131.81
May 2020	R 5,906.00	17%	R 60.30	R 5,966.30
Jul 2020	R 5,994.00	20.5%	R 43.64	R 6,037.64
Sep 2020	R 6,050.00	0%		R 6,050.00
Dec 2020	R 6,074.00	0%		R 6,074.00

Sunflower Seeds Future		
	MTM	Vols
Sep 2019		
Dec 2019	R 5,530.00	16%
Mar 2020	R 5,641.00	0%
May 2020	R 5,489.00	13.5%
Jul 2020	R 5,404.00	0%
Sep 2020		
Dec 2020	R 5,600.00	0%



The local Soya market traded lower yesterday. The Dec'19 Soya contract ended R16.00 down and Mar'20 Soya closed R29.00 lower. The parity move for the Dec'19 Soya contract for yesterday was R43.00 negative.

The local Suns market closed higher yesterday. The Dec'19 Suns contract closed R107.00 up and Mar'20 Suns closed R103.00 higher.



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