



**Fundamental Report**  
**31 December 2019**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	14.0230	14.1157	0.0927	0.66%
Euro/Rand	15.7102	15.8144	0.1042	0.66%
GBPound/Rand	18.3956	18.5235	0.1279	0.70%
AusDollar/Rand	9.8091	9.8838	0.0747	0.76%
Euro/USDollar	1.1199	1.1207	0.0008	0.07%
GBPound/USDollar	1.3117	1.3127	0.0010	0.08%
AusDollar/USDollar	0.6995	0.7002	0.0007	0.10%
JpyYen/USDollar	109.1200	108.6800	-0.4400	-0.40%

BDLive - The rand powered to its best level in five months on Monday, moving below R14/\$ shortly before the JSE opened and ending slightly weaker at the close.

So far in December, the rand has gained 4.7% to the dollar, making this its best month since January, when it appreciated 7.65% to the greenback. It came in as the second-best performing emerging-market currency over the past month, according to Bloomberg data, only marginally eclipsed by the Mexican peso. Much of the dollar's weakness, particularly since Friday, has been driven by improved sentiment towards emerging markets as the prospects of reaching a first phase of a US-China trade deal grow. The trade war between the world's two biggest economies, which will enter its third year in January, has had a deleterious effect on global GDP growth, with emerging markets bearing the brunt of it.

At 5.02pm, the rand was 0.43% weaker at R14.0872/\$, 0.62% down at R15.7787/€ and 0.96% softer at R18.4966/£. The euro strengthened 0.23% to \$1.1201. The JSE climbed for the third time on Monday, led by a strong rand and the



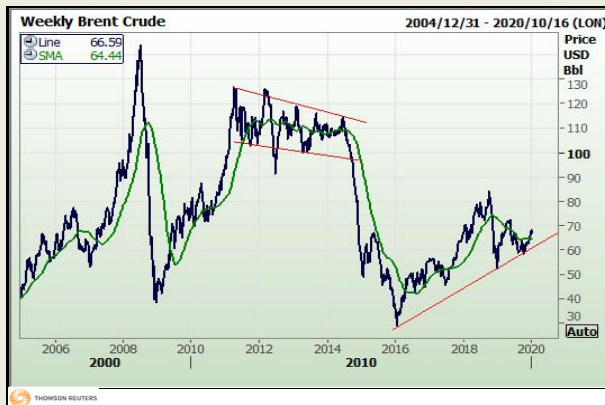
### Commodities

	Last	Value Change	% Change
Platinum	972.25	14.49	1.49%
Gold	1521.70	6.57	0.43%
Silver	18.10	0.18	1.02%
Copper	2.82	-0.02	-0.53%
Gasoil	620.50	-2.50	-0.40%
Brent Oil	66.59	-0.08	-0.12%

BDLive - Bengaluru — Gold prices eased from a near two-month high hit earlier on Friday as investors booked profits amid thin trade in a holiday lull, but the metal was still on course for its biggest weekly gain since early August.

Spot gold fell 0.2% to \$1,508.92 an ounce by 8.32am GMT. US gold futures were flat at \$1,513.70 an ounce.

"It is the last trading day of the week and we are expecting some winding up of positions. We can't say fundamentals are responsible and it's just healthy profit-taking," said Vandana Bharti, assistant vice-president of commodity research at SMC Comtrade. Gold prices rose to their highest since early November at 1,513.88 earlier in the session and has gained over 2% so far this week, the most since August 9.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	51398.39	0.00	0.00%
ALSI	51386.00	0.00	0.00%
S&P 500	3240.02	-18.73	-0.58%
FTSE	7644.90	-57.85	-0.76%
CAC	5982.22	0.00	0.00%
DAX	13337.11	-88.10	-0.66%
Hang Seng	28319.39	-155.14	-0.55%



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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
MAR 2010	389.00	388.25	-1.75	-0.75	386.50	-1.75	-2.50
MAY 2020	396.00	395.25	-1.50	-0.75	393.50	-1.75	-2.50
JUL 2020	402.00	401.50	-1.25	-0.50	400.00	-1.50	-2.00
SEP 2020	402.00	401.50	-0.75	-0.50	400.00	-1.50	-2.00
DEC 2020	404.00	403.00	-0.50	-1.00	402.00	-1.00	-2.00

FarmFutures - Corn weekly export shipment inspections were 16.1 mil bushels, below the range of trader estimates. At the close, March finished down 1 3/4 cents, failing to hold an early probe to a new recent high. Ukraine has definitely been capturing corn export business this year, but shipments have also seemed front-loaded for their marketing season. Yet, from July-December, their corn exports have totaled 11.4 mmmt, vs 9.1 mmt through the same period a year ago. In U.S. terms, that represents approximately 90 mil more bushels of corn exports vs the previous year. Expressed that way, the impact on U.S. corn export potential seems more benign than trade rhetoric that discusses lost U.S. corn export potential. That 90 mil bushels represents less than 5% of projected U.S. total corn exports. Considering total U.S. corn usage is approximately 14 bil bushels, it is interesting how these 90 mil bushels get credit for having the heavy thumb on the marketplace.

Price action today was disappointing from about any angle that you would like to view it, but support will continue to be lurking 5-8 cents off any given high. Today's settlement was 3 3/4 cents off today's high. That will give you an idea where to expect support.

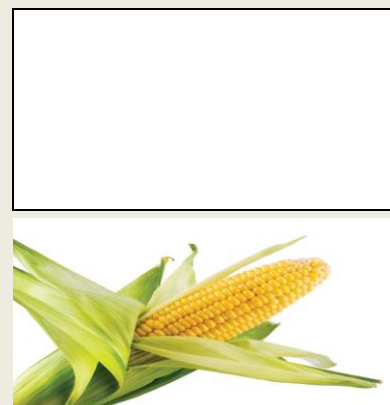
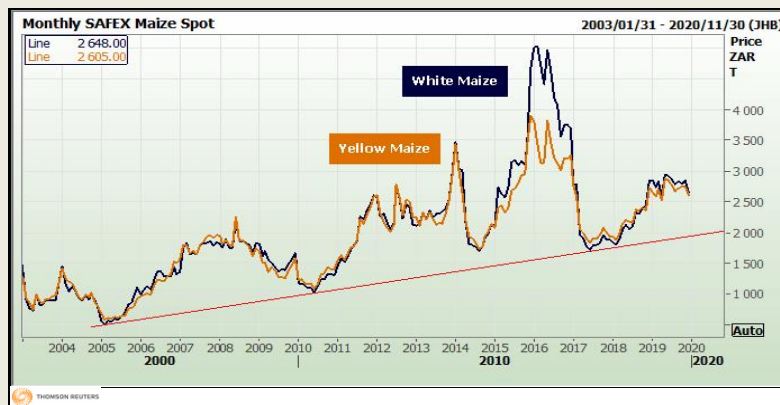
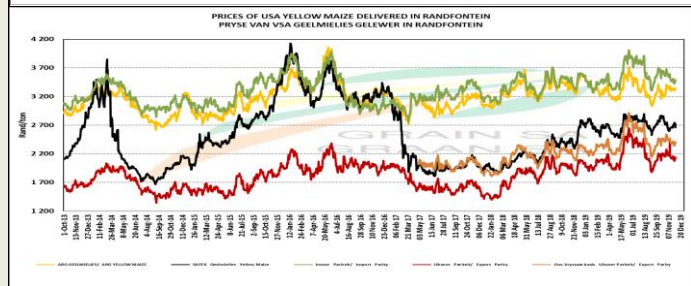
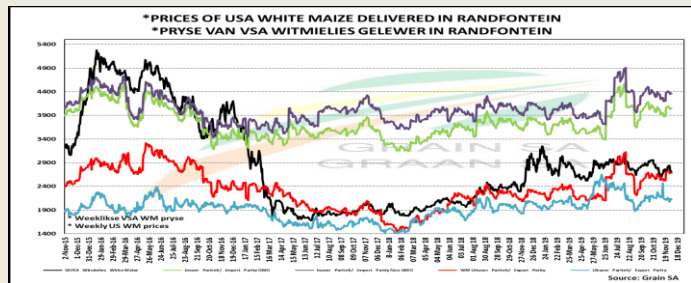
Overall conditions, both fundamental and technical, are not conducive to generating sustainable trending lower patterns in corn from current price levels. Producer selling interest exists, but largely still above the market. Producers don't seem to have much interest or pressure to sell into weakness. I would argue that those who have needed to make sales have already done so. And, some of the pressure to generate cash that could have produced farmer selling of corn, has actually been shifted to soybean sales, as cash soybean bids reached their best on-farm level since June 2018. So, it remains plausible that farmer selling after the first of the year will prove to be less than cash buyers hope.



### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
Mar 2020	R 2 650.00	29%		R 2 650.00
May 2020	R 2 533.00	0%	R 0.56	R 2 533.56
Jul 2020	R 2 487.00	26%	R 3.56	R 2 490.56
Sep 2020	R 2 539.00	0%	R 3.56	R 2 542.56
Dec 2020	R 2 623.00	29%	R 3.63	R 2 626.63
Mar 2021				
May 2021				
<b>Yellow Maize Future</b>				
Mar 2020	R 2 610.00	24%		R 2 610.00
May 2020	R 2 510.00	0%	R 0.56	R 2 510.56
Jul 2020	R 2 468.00	19.5%	R 3.56	R 2 471.56
Sep 2020	R 2 525.00	0%	R 3.56	R 2 528.56
Dec 2020	R 2 605.00	0%	R 3.63	R 2 608.63
Mar 2021				
May 2021				

The local Maize market traded lower yesterday. The Jan'20 WMAZ contract ended R60.00 down and Jan'20 YMAZ closed R55.00 lower. The Mar'20 WMAZ closed lower by R44.00 and Mar'20 YMAZ ended R73.00 down. The parity move for the Jan'20 Maize contract for yesterday was R1.00 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
MAR 2010	561.00	556.00	-0.25	-5.00	554.50	-1.50	-6.50		MAR 2010	482.00	480.50	0.75	-1.50	480.00	-0.50	-2.00
MAY 2020	563.00	559.00	0.50	-4.00	557.25	-1.75	-5.75		MAY 2010	490.00	489.00	1.00	-1.00	488.25	-0.75	-1.75
JUL 2020	564.00	561.00	1.25	-3.00	559.50	-1.50	-4.50		JUL 2010	498.00	496.25	0.75	-1.75	495.50	-0.75	-2.50
SEP 2020	570.00	566.25	1.50	-3.75	565.00	-1.25	-5.00		SEP 2010	504.00	503.75	1.25	-0.25	503.00	-0.75	-1.00
DEC 2020	578.00	575.25	1.75	-2.75	529.00	-46.25	-49.00		DEC 2010	514.00	514.25	1.75	0.25	0.00	-514.25	-514.00



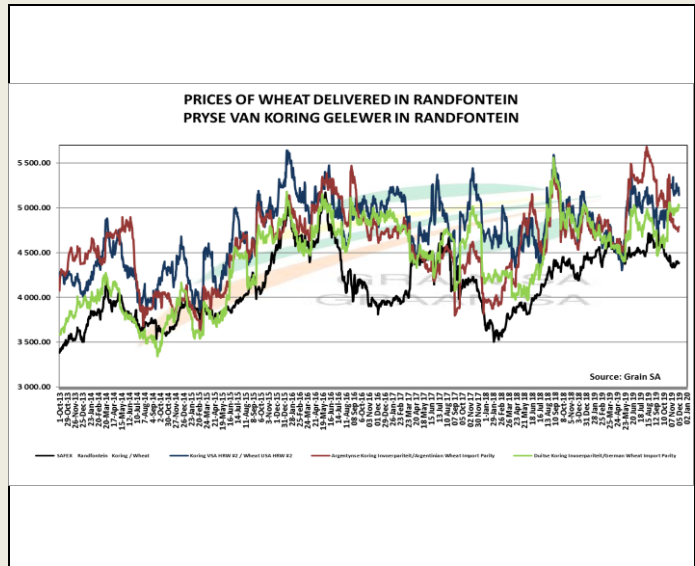
FarmFutures - Wheat weekly inspections were 11.5 mil bushels, at the low end of expectations. As I have discussed the past few days, wheat prices have been getting lofty up here, having achieved upside targets and resistance levels. Today's early strength failed to hold, with prices falling 11-13 cents from the day's high to the session low, before settling fractionally mixed.

Short-term technical conditions will continue to inspire selling interest to build above the market from multiple sectors of the trade. Producers find current values better than many they have seen and some producer selling activity can be noted.

Inter-market spreads also warn that wheat can lose to corn from current levels, further suggesting that near-term strength may struggle to build much additional sustainable upside energy. Conditions seem ripe for a correction process to unfold during the next few/several weeks.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
Mar 2020	R 4 363.00	8.5%		R 4 363.00
May 2020	R 4 430.00	13.5%	R -10.65	R 4 419.35
Jul 2020	R 4 470.00	0%	R -4.13	R 4 465.87
Sep 2020	R 4 481.00	0%	R -6.52	R 4 474.48
Dec 2020				
Mar 2021				
May 2021				
<b>Cape Wheat</b>				
Mar 2020				
May 2020				
Jul 2020				
Sep 2020				
Dec 2020				
Mar 2021				
May 2021				



The local Weat market closed lower yesterday. The Jan'20 Weat contract closed R5.00 down and Mar'20 Weat closed R18.00 lower. The parity move for the Jan'20 Weat contract for yesterday was R15.00 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	Overnight Change from 12pm
JAN 2010	934.00	939.50	10.00	5.50	902.00	-37.50	-32.00
MAR 2020	947.00	952.50	11.00	5.50	950.75	-1.75	3.75
MAY 2020	961.00	966.00	10.75	5.00	964.25	-1.75	3.25
JUL 2020	973.00	977.50	10.75	4.50	976.00	-1.50	3.00
AUG 2020	976.00	981.00	10.25	5.00	980.00	-1.00	4.00

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
JAN 2010	297.5	297.50
MAR 2010	302.3	302.20
MAY 2010	306.1	306.10
JUL 2010	309.8	309.90
AUG 2010	311.1	311.10

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
JAN 2010	35.17	34.92
MAR 2010	35.45	35.31
MAY 2010	35.75	35.59
JUL 2010	36.04	35.87
AUG 2010	36.05	35.95



FarmFutures - Soybeans weekly export inspections were 33.5 mil, in line with trader estimates. Price action today was solid and pushed above Friday's high. This was a great disappointment to bears, many of which were awakened with new vigor Friday afternoon. At the close, March was up 11 cents, while new-crop Nov gained 7 1/4 cents.

China approved a new soybean GMO variety today, as well as renewing existing GMO permits for an additional 3 years.

Technical conditions warn of potential to see price weakness evolve into next week. Despite today's strength, I am not confident that it can be trusted to be sustained as the week unfolds. We are poised for weakness during the next several days.

### South African Futures Exchange

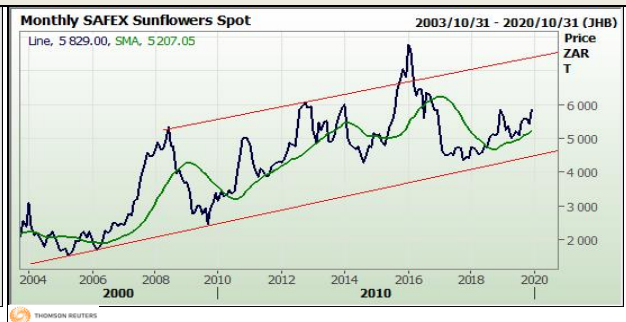
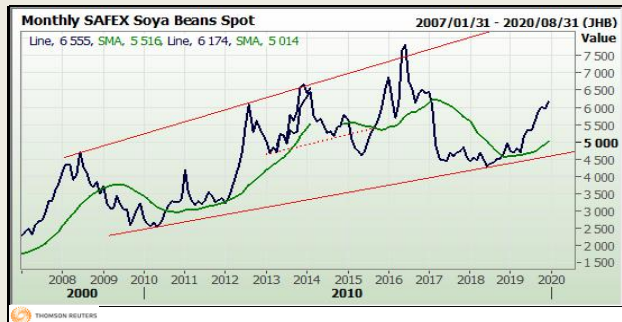
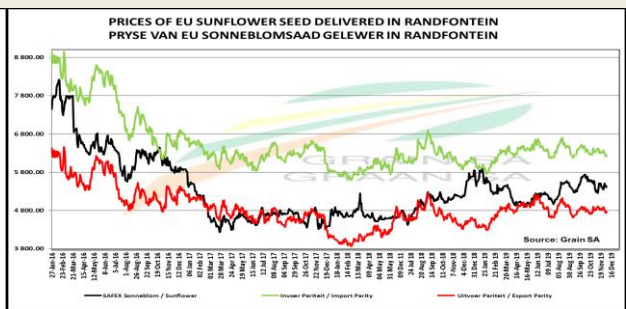
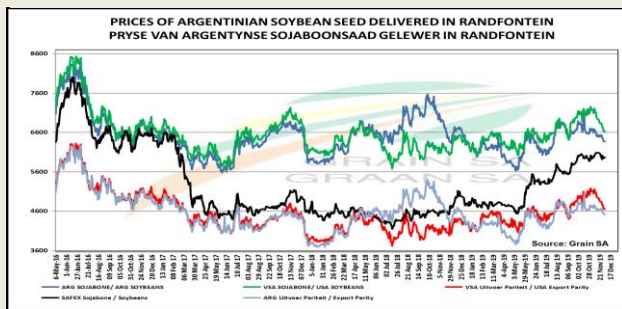
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Mar 2020	R 6 206.00	17%	R 51.71	R 6 257.71
May 2020	R 5 728.00	17.5%	R 49.59	R 5 777.59
Jul 2020	R 5 834.00	20.5%	R 48.70	R 5 882.70
Sep 2020	R 5 919.00	0%		R 5 919.00
Dec 2020	R 5 994.00	0%		R 5 994.00
Mar 2021				
May 2021				

Sunflower Seeds Future		
	MTM	Vols
Mar 2020	R 5 820.00	13%
May 2020	R 5 500.00	13.5%
Jul 2020	R 5 502.00	0%
Sep 2020		
Dec 2020	R 5 625.00	0%
Mar 2021		
May 2021		



The local Soya market traded lower yesterday. The Jan'20 Soya contract ended R36.00 down and Mar'20 Soya closed R20.00 lower. The parity move for the Jan'20 Soya contract for yesterday was R50.00 positive.

The local Suns market closed lower yesterday. The Jan'20 Suns contract closed R128.00 down and Mar'20 Suns closed R150.00 lower.



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