



**Fundamental Report**  
**16 January 2020**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	14.4290	14.3761	-0.0529	-0.37%
Euro/Rand	16.0507	16.0286	-0.0221	-0.14%
GBPound/Rand	18.7364	18.7509	0.0145	0.08%
AusDollar/Rand	9.9373	9.9281	-0.0092	-0.09%
Euro/USDollar	1.1125	1.1150	0.0025	0.22%
GBPound/USDollar	1.2989	1.3047	0.0058	0.45%
AusDollar/USDollar	0.6887	0.6906	0.0019	0.28%
JpyYen/USDollar	109.8400	109.9300	0.0900	0.08%

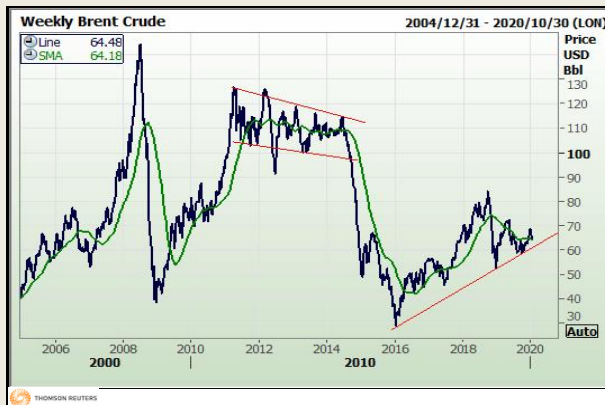
BDLive - The JSE must contend with subdued Asian markets on Thursday morning, with all eyes on the Reserve Bank interest rate decision later in the afternoon. The consensus is that the Reserve Bank will opt to keep rates unchanged due to the threat to the rand posed by a junk status rating from Moody's Investors Service. Some analysts do expect a cut, citing subdued inflation. The Bank is unlikely to cut interest rates to support growth while structural reforms remain outstanding, as the impact of rate cuts would be marginal, Investec chief economist Annabel Bishop said in a note. The repo rate is thus likely to remain unchanged until Moody's delivers its verdict on SA's credit rating in March, she said. Asian markets were subdued on Thursday morning, despite the US and China formalising a partial trade deal on Wednesday that includes commitments by China to increase purchases of US goods and tackle intellectual property theft. The main benefit to the deal is that the frictions between the US and China are unlikely to worsen in the next months, said AxiTrader chief Asia markets strategist Stephen Innes in a note. In morning trade on Thursday the Shanghai composite was down 0.28%, while Hong Kong's Hang Seng was flat. Tencent, which influences the JSE through Naspers, its biggest shareholder, was down 0.45%.



### Commodities

	Last	Value Change	% Change
Platinum	1015.06	-5.13	-0.51%
Gold	1553.41	-2.53	-0.16%
Silver	17.89	-0.10	-0.56%
Copper	2.86	-0.01	-0.37%
Gasoil	578.50	2.75	0.48%
Brent Oil	64.48	0.48	0.74%

BDLive - Bengaluru — Gold prices held steady on Thursday after the US and China signed a preliminary trade deal, as investors worried that a number of sore issues remained unresolved between the world's two top economies. Among other precious metals, palladium scaled a record high, while platinum jumped to its highest in nearly two years. Spot gold was little changed at \$1,553.74 per ounce by 5.25am SA time. US gold futures rose 0.2% to \$1,556.20. The much-awaited Phase 1 trade deal was signed by US President Donald Trump and Chinese Vice-Premier Liu He on Wednesday, defusing an 18-month-long row that has roiled global markets. "Some people are disappointed because Trump didn't gain much from the deal, compared to the huge uncertainty that he imposed on the US economy, farmers and workers," said Margaret Yang Yan, a market analyst at CMC Markets. "The critical structural issues such as China's industrial subsidies and intellectual thefts are not even fully addressed yet." Analysts said the deal failed to address structural economic issues that led to the conflict, did not fully eliminate the tariffs that have slowed the global economy, and set hard-to-achieve purchase targets.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	51835.06	0.00	0.00%
ALSI	51936.00	0.00	0.00%
S&P 500	3283.15	6.14	0.19%
FTSE	7622.35	20.45	0.27%
CAC	6032.61	0.00	0.00%
DAX	13432.30	0.00	0.00%
Hang Seng	28773.59	-2.02	-0.01%



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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 2020	389.00	387.50	-0.50	-1.50	386.00	-1.50	-3.00
MAY 2020	396.00	394.00	-0.25	-2.00	392.75	-1.25	-3.25
JUL 2020	402.00	400.50	-0.50	-1.50	398.75	-1.75	-3.25
SEP 2020	402.00	400.25	-0.75	-1.75	398.75	-1.50	-3.25
DEC 2020	404.00	402.50	-0.50	-1.50	401.00	-1.50	-3.00

**FarmFutures** - Corn prices fell victim to some spillover weakness from soybeans Wednesday, ending the session moderately lower after testing modest gains earlier this morning. March futures finished down 1.5 cents to \$3.8750, while May futures dropped 2 cents to \$3.94. Corn basis bids were steady to mixed Wednesday, firming 1 to 2 cents at two Midwestern processors while dropping 2 to 3 cents lower at two interior river terminals today. Ahead of USDA's next round of grain export data, out Thursday morning, analysts expect the agency to show corn sales ranging between 19.7 million and 37.4 million bushels for the week ending January 9. Even the low end of those estimates would be a significant improvement over the prior week's tally of 6.4 million bushels, a marketing year low. U.S. ethanol production jumped moderately higher last week, reaching a daily average of 1.095 million barrels for the week ending January 10, according to this morning's report from the U.S. Energy Information Administration. That represents the highest weekly total since last June. March futures softened more than 1% today, falling to \$1.359.

Grain traveling the nation's railways last week reached 18,304 carloads. Just two weeks into the new year, 2020's cumulative totals are running 16.1% below last year's pace, at 37,919 carloads.

The Farm Futures Business Summit and Ag Finance Boot Camp begins in a few short days, held January 22-24 in Coralville, Iowa. Sharpen your networking skills and gather the intel you need to run your farm more efficiently and profitably. A "last chance" discount is still available. Click here to learn more.

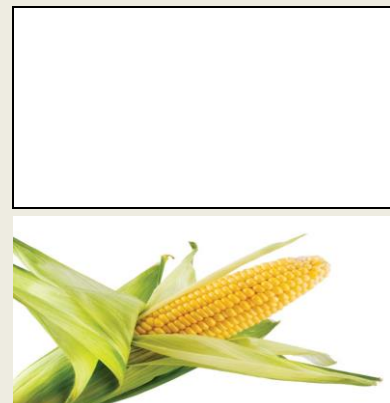
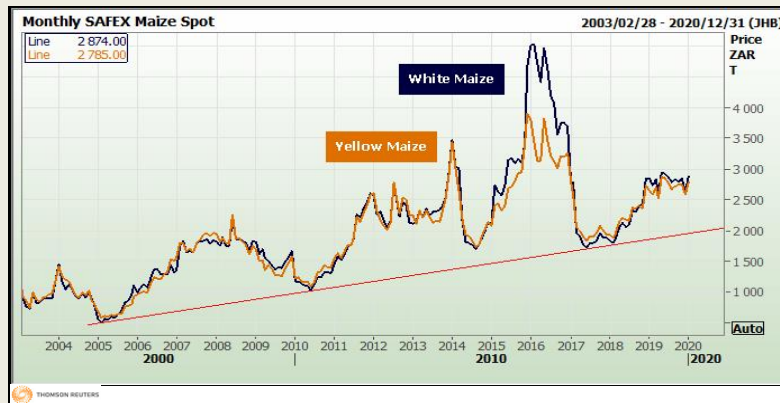
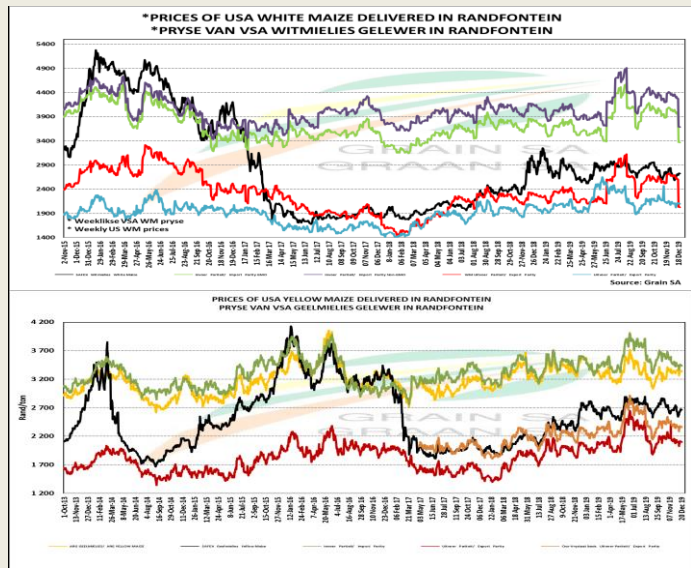
Preliminary volume estimates were for 244,593 contracts, firming moderately above Tuesday's final count of 188,925.



### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
Mar 2020	R 2,842.00	30%	R -25.08	R 2,816.92
May 2020	R 2,570.00	0%	R -26.64	R 2,543.36
Jul 2020	R 2,479.00	22.75%	R -26.77	R 2,452.23
Sep 2020	R 2,523.00	0%	R -26.77	R 2,496.23
Dec 2020	R 2,620.00	29%	R -25.39	R 2,594.61
Mar 2021				
May 2021				
<b>Yellow Maize Future</b>				
Mar 2020	R 2,783.00	24%	R -25.08	R 2,757.92
May 2020	R 2,532.00	0%	R -26.64	R 2,505.36
Jul 2020	R 2,488.00	20.25%	R -26.77	R 2,461.23
Sep 2020	R 2,538.00	0%	R -26.77	R 2,511.23
Dec 2020	R 2,628.00	20.25%	R -25.39	R 2,602.61
Mar 2021				
May 2021				

The local Maize market traded mixed yesterday. The Mar'20 WMAZ contract ended R32.00 up and Mar'20 YMAZ closed R18.00 higher. The Jul'20 WMAZ closed lower by R9.00 and Jul'20 YMAZ ended R5.00 down. The parity move for the Mar'20 Maize contract for yesterday was R8.00 negative.

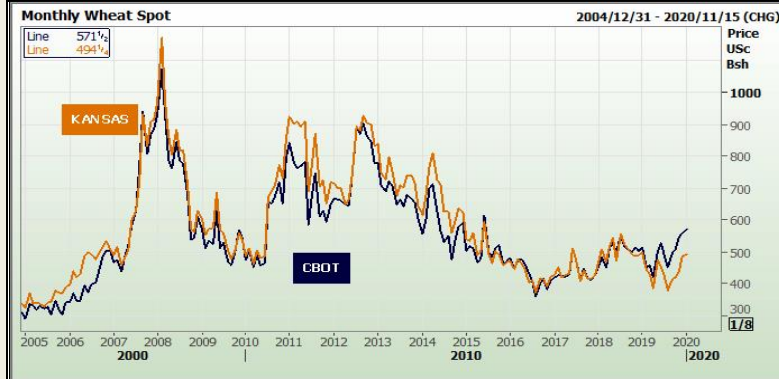


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## Wheat Market

### 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 2020	571.00	573.25	6.25	2.25	571.50	-1.75	0.50	MAR 2010	499.00	496.50	4.25	-2.50	494.25	-2.25	-4.75
MAY 2020	572.00	574.00	5.50	2.00	571.75	-2.25	-0.25	MAY 2010	506.00	504.00	4.00	-2.00	501.75	-2.25	-4.25
JUL 2020	573.00	574.75	5.00	1.75	572.25	-2.50	-0.75	JUL 2010	513.00	511.50	4.00	-1.50	509.00	-2.50	-4.00
SEP 2020	578.00	579.50	3.75	1.50	577.00	-2.50	-1.00	SEP 2010	521.00	519.75	4.25	-1.25	517.50	-2.25	-3.50
DEC 2020	586.00	587.00	3.00	1.00	529.00	-58.00	-57.00	DEC 2010	532.00	531.00	4.25	-1.00	528.25	-2.75	-3.75



FarmFutures - heat prices were mixed but mostly higher, with rising global prices and healthy domestic export prospects enough to mostly shake off spillover weakness from soybeans today. March Chicago SRW futures gained 4.75 cents to \$5.7325, March Kansas City HRW futures slipped 0.75 cents lower to \$4.9625, and March MGEX spring wheat futures picked up 0.25 cents to \$5.5650. Ahead of tomorrow morning's export sales 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 January 9 – bouncing back from the prior week's tally of less than 3.0 million bushels, a marketing year low.

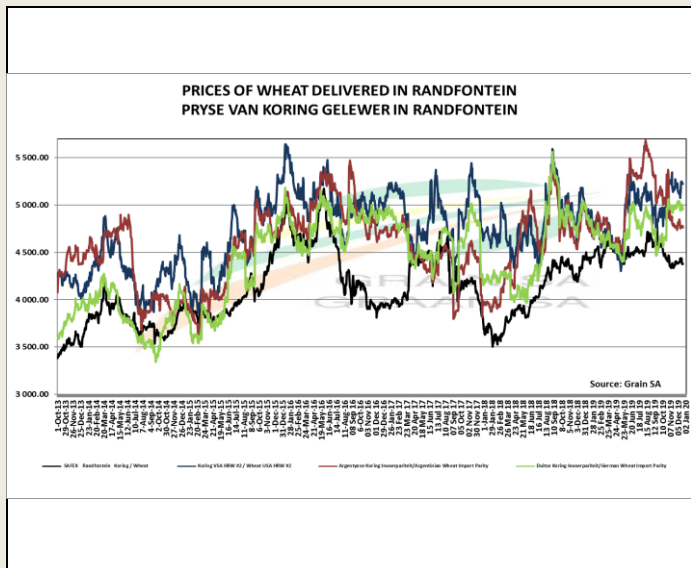
After purchasing 2.2 million bushels of milling wheat earlier this week, Jordan announced another international tender for 4.4 million bushels of milling wheat, sourced from optional origins, that closes January 21. The grain is for shipment in July or August.

China sold 2.1 million bushels of its state reserves of 2013/14 wheat at auction earlier today, which was 1.8% of the total available for sale.

Preliminary volume estimates were for 140,619 CBOT contracts, moving slightly ahead of Tuesday's final count of 128,737.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
Mar 2020	R 4,542.00	9%	R -8.46	R 4,533.54
May 2020	R 4,585.00	12.5%	R -12.44	R 4,572.56
Jul 2020	R 4,595.00	0%	R -15.10	R 4,579.90
Sep 2020	R 4,481.00	0%	R -16.52	R 4,464.48
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 Wheat market closed neutral to higher yesterday. The Mar'20 Wheat contract closed R7.00 up and Jul'20 Wheat closed R1.00 higher. The parity move for the Mar'20 Wheat contract for yesterday was R40.00 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
MAR 2020	940.00	928.75	0.00	-11.25	902.00	-26.75
MAY 2020	954.00	942.00	0.00	-12.00	939.50	-2.50
JUL 2020	965.00	954.25	0.00	-10.75	952.00	-2.25
AUG 2020	969.00	958.00	-0.50	-11.00	956.00	-2.00
SEP 2020	967.00	956.50	-0.25	-10.50	955.00	-1.50

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
MAR 2010	300.1	299.40
MAY 2010	304.8	304.10
JUL 2010	309.4	308.60
AUG 2010	311.1	310.40
SEP 2010	312.3	311.90

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
MAR 2010	33.3	33.29
MAY 2010	33.64	33.63
JUL 2010	34.01	34.00
AUG 2010	34.1	34.07
SEP 2010	34.16	34.16



FarmFutures - Soybean prices eroded throughout the day today, ending the session with double-digit losses. Market uncertainty over the U.S.-China phase-one trade deal triggered some technical selling, with favorable South American weather forecasts still providing headwinds. March and May futures each closed 13.5 cents lower, landing at \$9.2875 and \$9.42, respectively. Soybean basis bids were mostly steady across the central U.S., firming a penny at an Ohio elevator while dropping 5 cents at an Indiana processor today. Farmer sales have been generally slow so far this week. As expected, the U.S. and China signed a trade-one phase deal earlier today. President Donald Trump said the U.S. will maintain current tariffs on Chinese imports for now because "otherwise we have no cards to negotiate with" but added that those tariffs would go away upon the signing of a phase-two pact. Trump said he does not expect a phase-three component to ongoing negotiations. Meantime, China plans to import at least \$12.5 billion more of U.S. agricultural goods this year versus baseline 2017 levels, with a minimum \$19.5 billion increase planned for 2021. However, a caveat – market conditions will dictate actual sales levels moving forward. China's agriculture ministry does expect the country's total soybean imports to rise this year but did not offer additional specifics. The world's No. 1 soybean importer bought 3.252 billion bushels last year, which was slightly above its 2018 tally but moderately below 2017's high water mark of 3.510 billion bushels. Secretary of Agriculture Sonny Perdue said the partial trade agreement signed today is a "bonanza" for U.S. farmers and ranchers in a statement earlier today.

### South African Futures Exchange

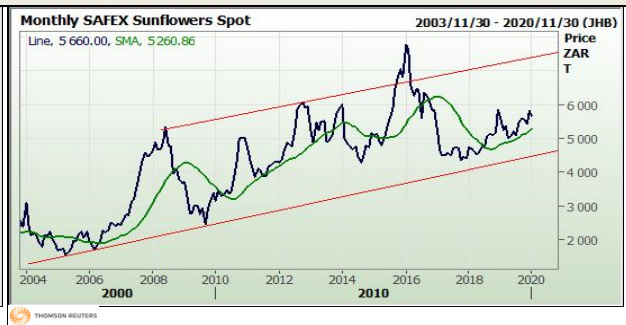
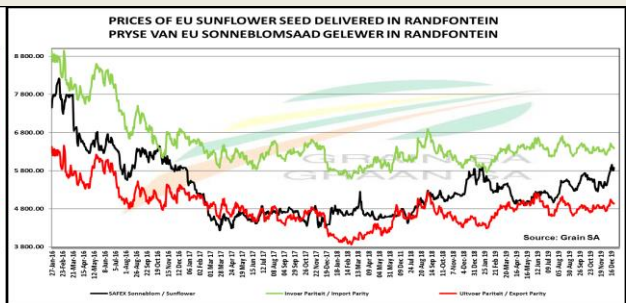
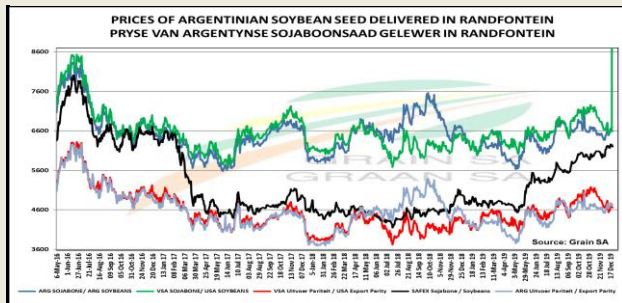
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Mar 2020	R 6,175.00	17%	R -219.00	R 5,956.00
May 2020	R 5,912.00	17.5%	R -95.14	R 5,816.86
Jul 2020	R 5,987.00	20.5%	R -87.43	R 5,899.57
Sep 2020	R 6,075.00	0%	R -82.18	R 5,992.82
Dec 2020	R 6,123.00	0%		R 6,123.00
Mar 2021				
May 2021				

Sunflower Seeds Future		
	MTM	Vols
Mar 2020	R 5,693.00	14%
May 2020	R 5,601.00	13.5%
Jul 2020	R 5,510.00	0%
Sep 2020		
Dec 2020	R 5,794.00	0%
Mar 2021		
May 2021		



The local Soya market traded lower yesterday. The Mar'20 Soya contract ended R65.00 down and Jul'20 Soya closed R54.00 lower. The parity move for the Mar'20 Soya contract for yesterday was R11.00 negative.

The local Suns market closed higher yesterday. The Mar'20 Suns contract closed R43.00 up and Jul'20 Suns closed R9.00 higher.



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