



Fundamental Report
17 January 2020

Financial Markets

Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	14.3800	14.4017	0.0217	0.15%
Euro/Rand	16.0402	16.0361	-0.0041	-0.03%
GBPound/Rand	18.7644	18.8178	0.0534	0.28%
AusDollar/Rand	9.9521	9.9343	-0.0178	-0.18%
Euro/USDollar	1.1153	1.1135	-0.0018	-0.16%
GBPound/USDollar	1.3052	1.3071	0.0019	0.15%
AusDollar/USDollar	0.6920	0.6898	-0.0022	-0.32%
JpyYen/USDollar	109.9800	110.1800	0.2000	0.18%

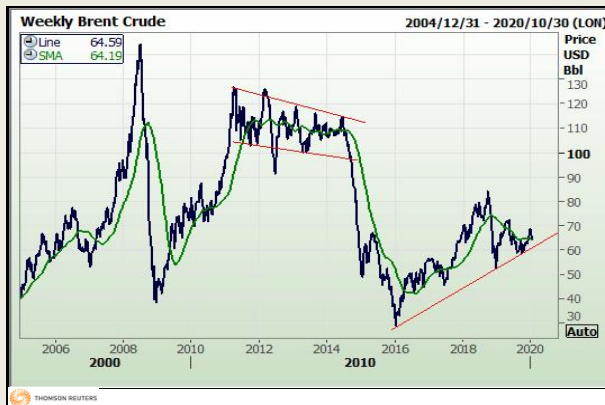
BDLive - The rand extended losses while the JSE concluded its fourth consecutive day of gains on Thursday as investors pondered a widely unexpected 25-basis-point repo-rate cut by the Reserve Bank. Shortly after the announcement, the rand erased earlier gains and now looks on track for its third consecutive week of losses. At 5.23pm, the rand had weakened 0.31% to R14.4336/\$, after strengthening to as much as R14.35 earlier, 0.16% to R16.0686/€ and 0.3% to R18.8148/£. The euro weakened 0.15% to \$1.1133. The R2030 government bond was stronger with the yield falling three basis points to 9.025%. Bond yields move inversely to their prices. The Bank cut the repo rate to 6.25% on Thursday, its first change since July 2019, while the median forecast among economists polled by Bloomberg was for rates to be kept on hold. "The key rate now sits at its lowest level [in years], but judging by the sanguine reaction of markets, investors were anticipating the cut more than the analysts' projections suggested," said Monex Europe forex market analyst Simon Harvey. "The [rate cut] is indeed good news for the economy, in dire need of stimulation. It could assist struggling households and businesses on the margin and boost confidence levels a bit; small positives though, which will unfortunately not change the narrative of low economic growth and, in all probability, a further uptick in the unemployment rate of the country," said independent economist Elize Kruger.



Commodities

	Last	Value Change	% Change
Platinum	1013.73	9.63	0.95%
Gold	1556.36	3.82	0.25%
Silver	18.04	0.10	0.58%
Copper	2.86	0.01	0.28%
Gasoil	571.75	-4.25	-0.74%
Brent Oil	64.59	-0.03	-0.05%

BDLive - London/New York — The palladium rally continues to defy all expectations. The silvery-white precious metal, which is used in catalytic converters, has been on a tear in 2020 that shows no signs of slowing down. It has already notched up a 20% gain. On Thursday, prices rallied as much as 5.5% and touched \$2,390/oz. The gains are surprising even the most seasoned market watchers. Palladium has added more than 70% in the past year, fuelled by a combination of tight supply conditions and strong demand as stricter emissions targets force carmakers to use more of the metal in autocatalysts. There is little chance that tight supply conditions will ease. SA, a major miner, reported a sharp drop in platinum group metal (PGM) production in November. Adding to the bullish mood was the US-China trade truce, and record car sales in Europe in December even though they are unlikely to be repeated. On Thursday, spot prices jumped by more than \$120/oz, which is the biggest daily move in dollar terms on record. The metal traded up 5% at \$2,378.77 by 12.15pm in London. Platinum, its less expensive sister, also gained, touching \$1,037/oz, the highest in nearly three years. Gold was steady.



Financials

	Current Bid	Value Change	% Change
JSE TOP 40	51965.24	0.00	0.00%
ALSI	52154.00	0.00	0.00%
S&P 500	3289.29	27.52	0.84%
FTSE	7642.80	-32.99	-0.43%
CAC	6039.03	0.00	0.00%
DAX	13429.43	0.00	0.00%
Hang Seng	28883.04	-15.81	-0.05%



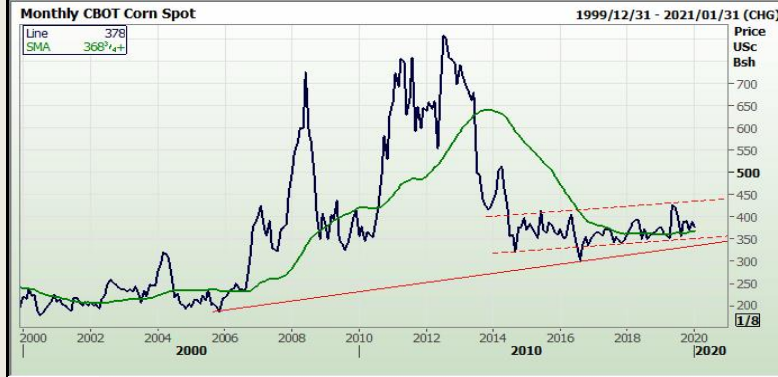
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Corn / Maize Market

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	384.00	375.50	-0.50	-8.50	378.00	2.50	-6.00
MAY 2020	390.00	382.50	-0.25	-7.50	385.00	2.50	-5.00
JUL 2020	397.00	389.00	-0.50	-8.00	391.50	2.50	-5.50
SEP 2020	397.00	390.50	-0.75	-6.50	393.00	2.50	-4.00
DEC 2020	400.00	394.00	-0.50	-6.00	396.75	2.75	-3.25

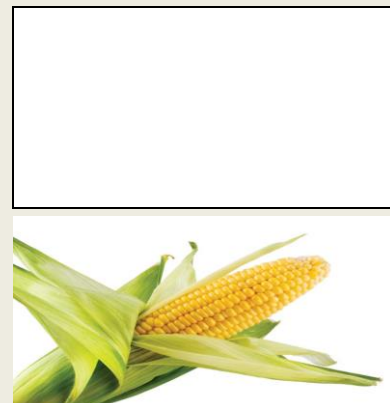
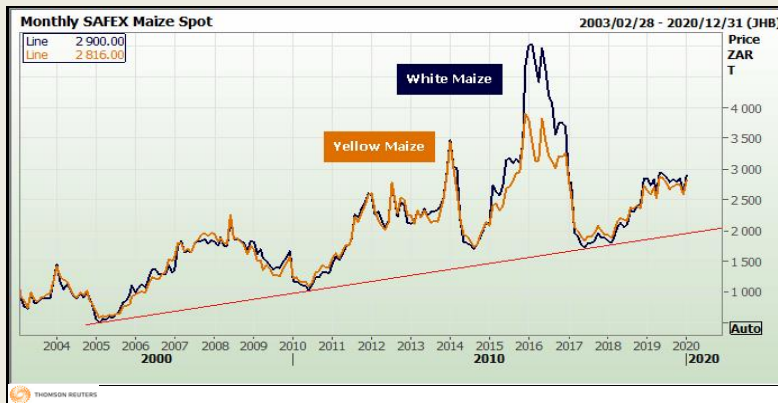
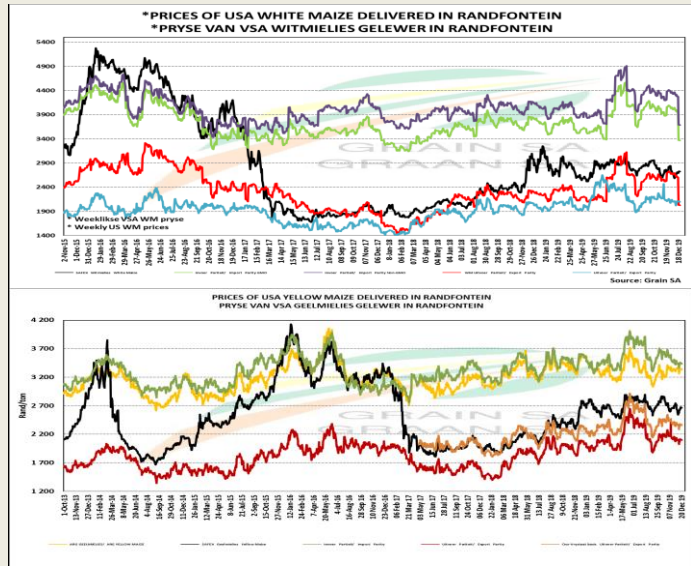
FarmFutures - Corn prices eroded steadily throughout Thursday's session on a round of technical selling and profit-taking, despite some generally positive export data from USDA out this morning. Favorable South American weather forecasts applied additional headwinds. March futures finished 12 cents lower to \$3.7550, with May futures tumbling 11.5 cents to \$3.8250. Corn basis bids slipped 2 cents lower at an Illinois processor but held steady elsewhere across the central U.S. Thursday, as farmer sales have remained sluggish for the most part this week. Corn exports notched 30.9 million bushels in old crop sales last week, moving far above the prior week's tally of 6.4 million bushels. Total volume was on the high end of trade guesses that ranged between 19.7 million and 37.4 million bushels. Cumulative totals for the 2019/20 marketing year are still just at 371.4 million bushels, however – still trending less than half of the prior marketing year's pace so far. Corn export shipments moved 8% above the prior four-week average, with 21.4 million bushels. Mexico (7.6 million) and Colombia (7.1 million) accounted for about two-thirds of the total. The EPA reported that the U.S. generated 1.30 billion ethanol blending credits last month, up from 1.21 billion in November. The U.S. generated an additional 374 million biodiesel blending credits in December, also moderately ahead of November's tally of 309 million. The U.S. Senate has approved the U.S.-Mexico-Canada (USMCA) trade agreement by a vote of 89 to 10, sending it to President Donald Trump to sign. Trump has been public about his support for the agreement and is expected to sign it soon. Mexico and Canada are two of the top three customers of U.S. agricultural goods. USDA is seeking public input on a new ethanol sales infrastructure incentive program it hopes will expand the availability of domestic biofuels through expanded sales opportunities. "Feedback from farmers, retailers and biofuels producers is critical to the success of this future program," according to Agriculture Secretary Sonny Perdue. "Under the leadership of President Trump, USDA remains committed to fulfilling a key promise to American farmers to enhance the promotion of biofuels."



South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
White Maize Future				
Mar 2020	R 2,872.00	30%	R -30.74	R 2,841.26
May 2020	R 2,561.00	0%	R -25.02	R 2,535.98
Jul 2020	R 2,452.00	22.5%	R -27.79	R 2,424.21
Sep 2020	R 2,495.00	0%	R -19.29	R 2,475.71
Dec 2020	R 2,593.00	29%	R -15.01	R 2,577.99
Mar 2021				
May 2021				
Yellow Maize Future				
Mar 2020	R 2,813.00	24%	R -30.74	R 2,782.26
May 2020	R 2,518.00	0%	R -25.02	R 2,492.98
Jul 2020	R 2,467.00	20.25%	R -27.79	R 2,439.21
Sep 2020	R 2,513.00	0%	R -19.29	R 2,493.71
Dec 2020	R 2,605.00	20.25%	R -15.01	R 2,589.99
Mar 2021				
May 2021				

The local Maize market traded mixed yesterday. The Mar'20 WMAZ contract ended R30.00 up and Mar'20 YMAZ closed R30.00 higher. The Jul'20 WMAZ closed lower by R27.00 and Jul'20 YMAZ ended R21.00 down. The parity move for the Mar'20 Maize contract for yesterday was R24.00 negative.

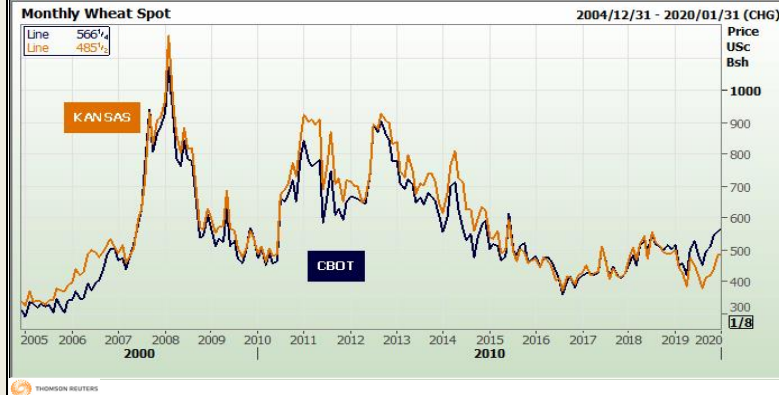


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Wheat Market

Chicago Board of Trade and Kansas Board of Trade

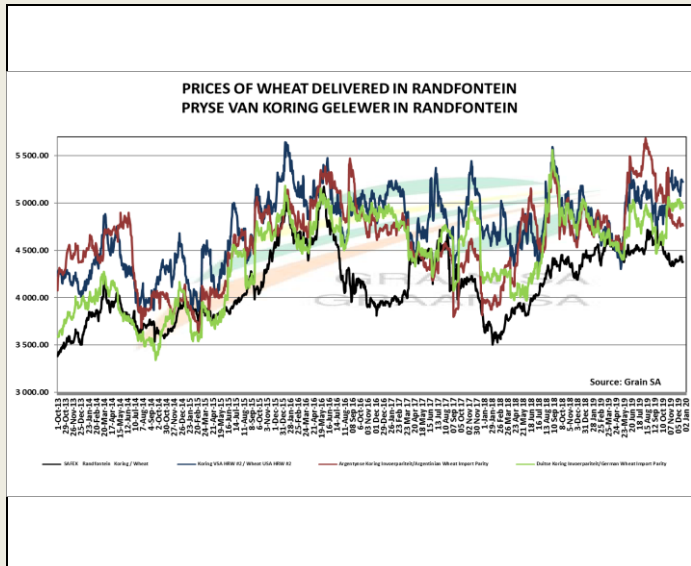
CBOT Wheat									KBOT Wheat							
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm		Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
MAR 2020	567.00	565.25	6.25	-1.75	566.25	1.00	-0.75		MAR 2010	488.00	484.75	4.25	-3.25	485.50	0.75	-2.50
MAY 2020	567.00	566.25	5.50	-0.75	567.25	1.00	0.25		MAY 2010	495.00	492.25	4.00	-2.75	493.00	0.75	-2.00
JUL 2020	568.00	566.75	5.00	-1.25	567.75	1.00	-0.25		JUL 2010	503.00	500.00	4.00	-3.00	500.25	0.25	-2.75
SEP 2020	573.00	572.00	3.75	-1.00	573.25	1.25	0.25		SEP 2010	511.00	508.25	4.25	-2.75	509.25	1.00	-1.75
DEC 2020	581.00	580.50	3.00	-0.50	529.00	-51.50	-52.00		DEC 2010	523.00	519.75	4.25	-3.25	519.75	0.00	-3.25



FarmFutures - Wheat prices were clipped by a round of technical selling and profit-taking Thursday, with some contracts down more than 2% in today's choppy session. Kansas City HRW contracts took the most damage, with March futures dropping 12.25 cents to \$4.8425. March Chicago SRW futures fell 8 cents to \$5.6525, while March MGEX spring wheat futures lost 6 cents to \$5.49. Wheat export sales rebounded noticeably from marketing-year lows last week to reach 26.1 million bushels in old crop and new crop sales. The tally beat also beat out all analyst estimates, which ranged between 7.3 million and 18.4 million bushels. Cumulative totals for the 2019/20 marketing year are now at 550 million bushels, besting last year's pace by more than 20%. Wheat export shipments also improved 30% week-over-week and firmed 6% above the prior four-week average, with 16.9 million bushels. The Philippines (3.1million), South Korea (3.0 million) and Mexico (2.7 million) accounted for more than half of the volume. Based on better global demand prospects, EU's Strategie Grains consultancy expects the region's soft wheat exports for 2019/20 to climb 6.3% above its December estimates to reach 1.121 billion bushels, even amid an uptick in sales from competitors such as Ukraine and Argentina. Japan purchased 4.3 million bushels of food-quality wheat from the U.S., Canada and Australia in a regular tender that closed earlier today. Just over half of the total was sourced from the U.S.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
Bread Milling Wheat				
Mar 2020	R 4,559.00	9%	R 0.55	R 4,559.55
May 2020	R 4,602.00	12.5%	R 5.84	R 4,607.84
Jul 2020	R 4,615.00	0%	R 3.21	R 4,618.21
Sep 2020	R 4,481.00	0%	R 5.89	R 4,486.89
Dec 2020				
Mar 2021				
May 2021				
Cape Wheat				
Mar 2020				
May 2020				
Jul 2020				
Sep 2020				
Dec 2020				
Mar 2021				
May 2021				



The local Wheat market closed higher yesterday. The Mar'20 Wheat contract closed R17.00 up and Jul'20 Wheat closed R20.00 higher. The parity move for the Mar'20 Wheat contract for yesterday was R8.00 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
MAR 2020	925.00	924.00	0.00	-1.00	902.00	-22.00
MAY 2020	938.00	937.25	0.00	-0.75	937.00	-0.25
JUL 2020	951.00	950.00	0.00	-1.00	949.75	-0.25
AUG 2020	956.00	954.00	-0.50	-2.00	953.25	-0.75
SEP 2020	954.00	953.00	-0.25	-1.00	953.25	0.25

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
MAR 2010	300.6	300.30
MAY 2010	305.2	304.80
JUL 2010	309.7	309.40
AUG 2010	311.5	311.10
SEP 2010	312.6	312.10

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
MAR 2010	33.03	33.06
MAY 2010	33.37	33.41
JUL 2010	33.74	33.77
AUG 2010	33.82	33.84
SEP 2010	33.9	33.94



FarmFutures - soybean prices followed corn lower Thursday on some technical selling in a somewhat choppy session, although losses weren't nearly as severe. March and May futures each lost 4.75 cents to close at \$9.24 and \$9.3725, respectively. Soybean basis bids were steady to mixed Thursday, falling 3 to 5 cents lower at two Midwestern processors while firming a penny at an Ohio elevator today. Private exporters reported to USDA the sale of 180,000 metric tons of soybean cake and meal to the Philippines for delivery during the 2019/20 marketing year, which began October 1. Soybean export sales inched 3% above its prior four-week average, reaching 26.1 million bushels and landing in the middle of trade guesses, which ranged between 14.7 million and 31.2 million bushels. China (8.0 million) and the Netherlands (7.3 million) accounted for more than half of the total. Cumulative totals this marketing year remain 30% higher than a year ago, at 854 million bushels. Soybean export shipments were also up 14% week-over-week and 13% higher than the prior four-week average, at just under 47.0 million bushels. China took nearly a third of the total amount, with 15.2 million bushels. Yesterday's signing of the phase-one trade deal between the U.S. and China drew bullish sentiment on the stock markets while cooling grain prices. Critics contend it may represent a short-term solution that won't boost prices and keeps current tariffs in place. Farm Futures policy editor Jacqui Fatka maps out six potential shortfalls of the current deal - click here to learn more. Preliminary volume estimates were for 153,986 contracts, falling moderately below Wednesday's final count of 207,337.

South African Futures Exchange

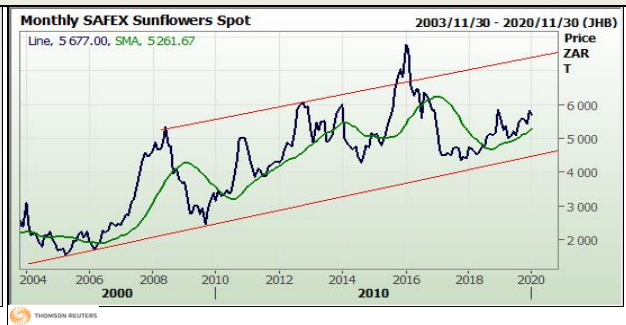
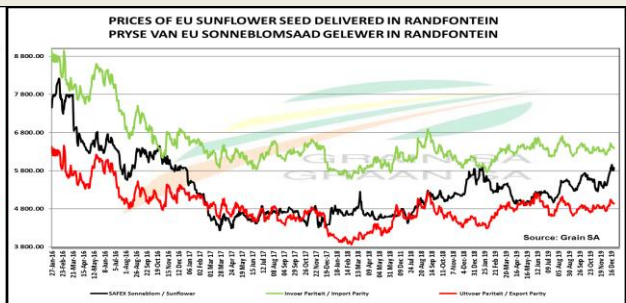
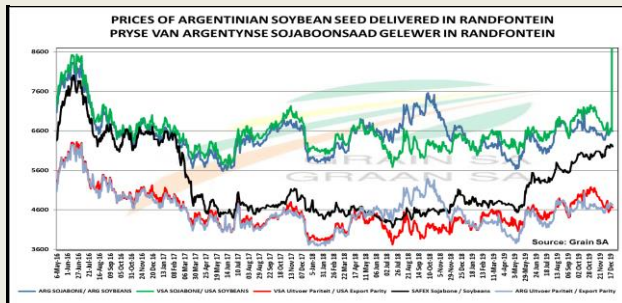
Soybean Future			
	MTM	Vols	Parity Change
Mar 2020	R 6,025.00	17%	R -114.33
May 2020	R 5,798.00	17.5%	R 2.19
Jul 2020	R 5,869.00	20.5%	R 0.97
Sep 2020	R 5,969.00	0%	R 3.64
Dec 2020	R 6,044.00	0%	
Mar 2021			
May 2021			

Sunflower Seeds Future		
	MTM	Vols
Mar 2020	R 5,694.00	14%
May 2020	R 5,585.00	13.5%
Jul 2020	R 5,500.00	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 R150.00 down and Jul'20 Soya closed R118.00 lower. The parity move for the Mar'20 Soya contract for yesterday was R92.00 negative.

The local Suns market closed mixed yesterday. The Mar'20 Suns contract closed R1.00 up while Jul'20 Suns closed R10.00 lower.



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