



Fundamental Report
29 January 2020

Financial Markets

Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	14.6482	14.5324	-0.1158	-0.79%
Euro/Rand	16.1351	16.0113	-0.1238	-0.77%
GBPound/Rand	19.0772	18.9161	-0.1611	-0.84%
AusDollar/Rand	9.8831	9.8428	-0.0403	-0.41%
Euro/USDollar	1.1016	1.1014	-0.0002	-0.02%
GBPound/USDollar	1.3028	1.3020	-0.0008	-0.06%
AusDollar/USDollar	0.6747	0.6773	0.0026	0.39%
JpyYen/USDollar	108.8200	109.1900	0.3700	0.34%

BDLive - The JSE finished lower for a second consecutive day on Tuesday as fears over the coronavirus continue to weigh on investor sentiment.

Emerging-market stocks have been under pressure for a few days on rising worries about the economic effect of the virus, as the death toll rises.

Earlier, Chinese health authorities said that the outbreak had claimed more than 100 lives so far and infected about 4,500. Multiple cases of the virus have so far been confirmed in Hong Kong, Macao, Taipei, Thailand, Vietnam, South Korea, Singapore, Malaysia, Japan, Australia, France, Germany and the US.

Japanese economy minister Yasutoshi Nishimura warned on Tuesday that corporate profits and factory production might take a hit from the virus, with its effect having rattled global markets and "chilled" confidence.



Commodities

	Last	Value Change	% Change
Platinum	986.74	1.15	0.12%
Gold	1564.04	-1.82	-0.12%
Silver	17.39	-0.05	-0.26%
Copper	2.60	0.02	0.85%
Gasoil	530.75	5.75	1.08%
Brent Oil	60.28	0.77	1.28%

BDLive - Bengaluru — Gold edged down on Tuesday from the previous session's near three-week high as equities regained some ground, but concerns that the coronavirus outbreak could affect the global economy cushioned safe-haven bullion's losses. Spot gold was down 0.2% to \$1,578.13 an ounce as of 12.02pm GMT, having touched its highest since January 8 on Monday. US gold futures were steady at \$1,577.40.

"The flight to safety is not continuing today. Equity markets have stabilised, European equities are broadly flat, so the wave of risk-aversion that swept across the financial markets seems to be off," said Julius Bar analyst Carsten Menke. European markets rebounded early after the previous day's thumping, while the dollar rose to a near two-month high. However, concerns that the coronavirus outbreak could hinder the global economy persist, Menke said, adding that reactions to the spreading virus had been very different across markets and the decline in oil prices suggested a slowdown of economic activity in China.



Financials

	Current Bid	Value Change	% Change
JSE TOP 40	49800.27	0.00	0.00%
ALSI	49913.00	0.00	0.00%
S&P 500	3243.63	32.61	1.01%
FTSE	7412.05	68.64	0.93%
CAC	5925.82	0.00	0.00%
DAX	13204.77	118.92	0.90%
Hang Seng	27949.64	-683.44	-2.45%



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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	379.00	386.50	-0.50	7.50	387.25	0.75	8.25
MAY 2020	385.00	392.00	-0.25	7.00	392.50	0.50	7.50
JUL 2020	391.00	397.25	-0.50	6.25	397.50	0.25	6.50
SEP 2020	391.00	394.50	-0.75	3.50	394.75	0.25	3.75
DEC 2020	394.00	397.50	-0.50	3.50	398.00	0.50	4.00

FarmFutures - Corn prices firmed by about 1% Tuesday as bargain buyers entered the fray after slumping significantly over the past two sessions. Another large sale reported to USDA this morning prompted some additional technical buying. March futures gained 6 cents to \$3.8650, with May futures up 5.25 cents to \$3.92. Corn basis bids were mostly steady to weak Tuesday, falling 1 to 7 cents lower across a handful of Midwestern locations today. An Illinois processor bucked the overall trend after firming 2 cents higher, however.

Private exporters reported to USDA the sale of 4.9 million bushels of corn for delivery to Mexico during the 2019/20 marketing year, which began September 1. This marks the seventh large corn sale reported to USDA so far this month. South Africa's corn acres are expected to rise 9% this season on the heels of favorable weather conditions in recent weeks, reaching 6.178 million acres. The country's total corn exports have reached 36.6 million bushels through December.

USDA sent a reminder to farmers today about an upcoming February 28 deadline to enroll in the Conservation Resource Program for 2020. "This is the first opportunity for general sign up since 2016, and we want producers and private landowners to know that we have just one month remaining," according to FSA Administrator Richard Fordyce. "It is critical that they make their final determinations and submit offers very soon to take advantage of this popular conservation program."

Speaking of USDA, it's an increasingly popular opinion that the agency would serve farmers better if they simply stopped reporting crop information. Dave Fogel, vice president with Advance Trading, Inc., argues that this wouldn't really solve any problems - click here to learn more in the latest Ag Marketing IQ blog post.

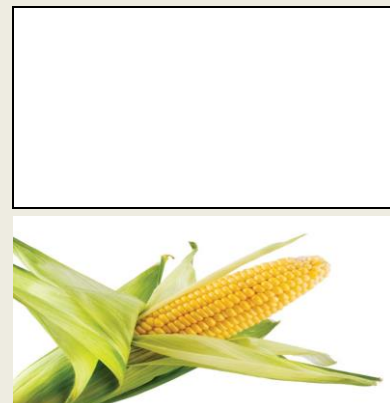
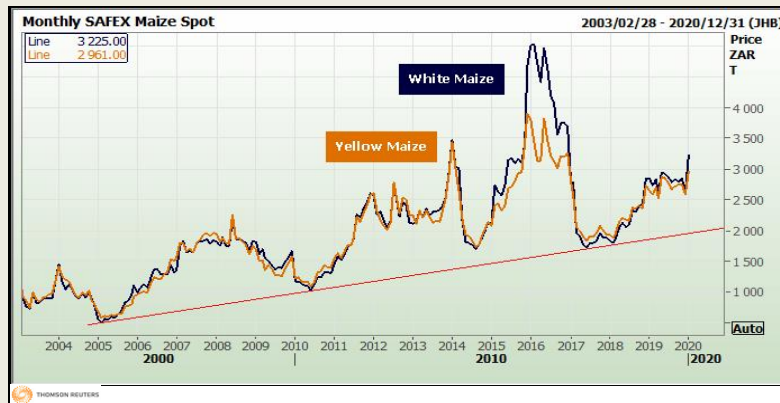
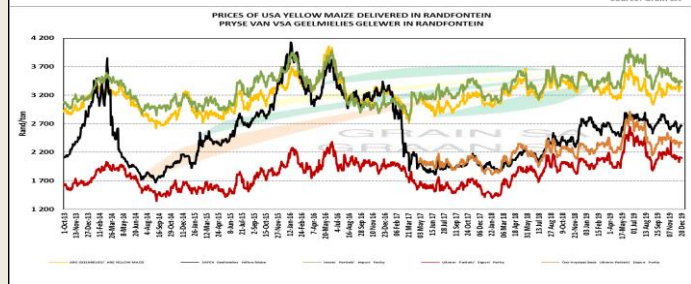
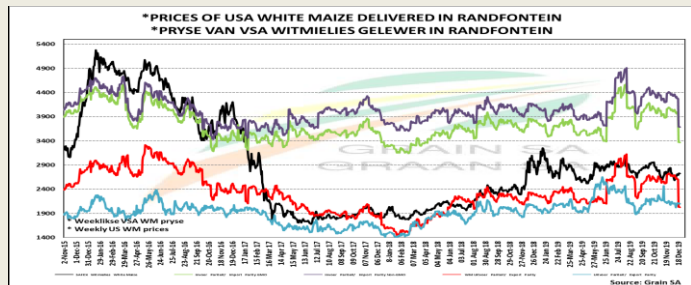
Preliminary volume estimates were for 425,431 contracts, sliding fractionally lower than Monday's final count of 426,407.



South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
White Maize Future				
Mar 2020	R 2 133.00	34%	R 29.92	R 2 162.92
May 2020	R 2 642.00	22.5%	R 25.36	R 2 667.36
Jul 2020	R 2 399.00	21.5%	R 19.36	R 2 418.36
Sep 2020	R 2 459.00	0%	R 3.63	R 2 462.63
Dec 2020	R 2 554.00	29%	R 4.92	R 2 558.92
Mar 2021				
May 2021				
Yellow Maize Future				
Mar 2020	R 2 952.00	25.25%	R 29.92	R 2 981.92
May 2020	R 2 530.00	0%	R 25.36	R 2 555.36
Jul 2020	R 2 484.00	20.25%	R 19.36	R 2 503.36
Sep 2020	R 2 528.00	0%	R 3.63	R 2 531.63
Dec 2020	R 2 614.00	20.25%	R 4.92	R 2 618.92
Mar 2021	R 2 637.00	0%		R 2 637.00
May 2021				

The local Maize market traded mixed yesterday. The Mar'20 WMAZ contract ended R39.00 up and Mar'20 YMAZ closed R17.00 higher. The Jul'20 WMAZ closed lower by R3.00 and Jul'20 YMAZ ended R3.00 down. The parity move for the Mar'20 Maize contract for yesterday was R29.00 positive.

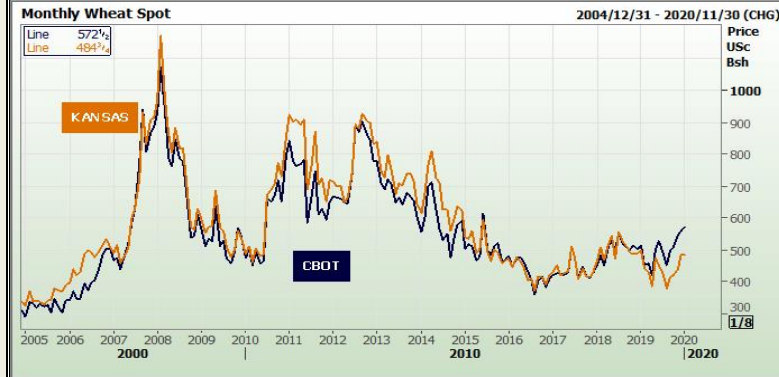


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Wheat Market

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
MAR 2020	570.00	569.75	6.25	-0.25	572.50	2.75	2.50	MAR 2010	482.00	482.00	4.25	0.00	484.75	2.75	2.75
MAY 2020	568.00	568.50	5.50	0.50	571.00	2.50	3.00	MAY 2010	490.00	489.25	4.00	-0.75	491.75	2.50	1.75
JUL 2020	567.00	567.25	5.00	0.25	570.00	2.75	3.00	JUL 2010	497.00	496.75	4.00	-0.25	499.00	2.25	2.00
SEP 2020	572.00	573.00	3.75	1.00	575.25	2.25	3.25	SEP 2010	505.00	504.75	4.25	-0.25	506.25	1.50	1.25
DEC 2020	581.00	581.25	3.00	0.25	529.00	-52.25	-52.00	DEC 2010	517.00	515.25	4.25	-1.75	516.25	1.00	-0.75



FarmFutures - Wheat prices were down 0.5% to 1% Tuesday on another round of technical selling, with lower-than-expected grain inspections yesterday casting new doubts on the pace of exports heading into the spring. Also worth noting: China's latest purchases of 36.7 million bushels were sourced from Australia, Canada and France. March Chicago SRW futures fell 2.5 cents to \$5.6975, March Kansas City HRW futures dropped 4.75 cents to \$4.8175, and March MGEX spring wheat futures lost 5 cents to \$5.4225.

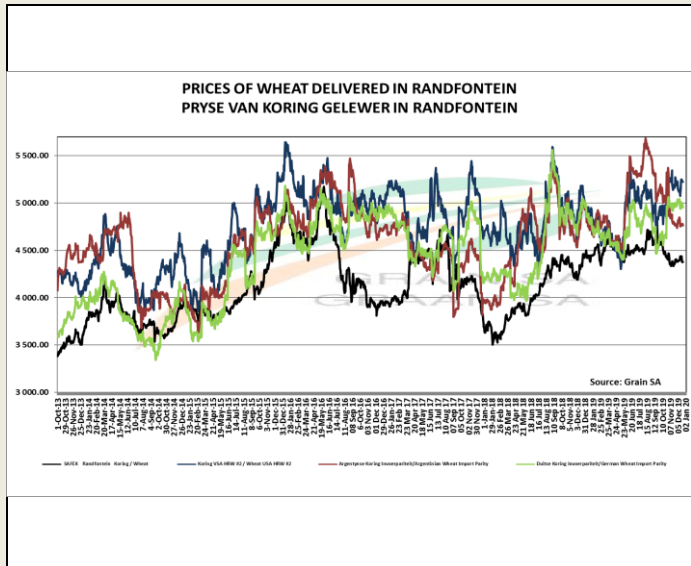
Syria issued an international tender to purchase 7.3 million bushels of soft wheat from Russia that closes February 17. The country still needs about double the wheat it produces annually amid ongoing widespread conflict in the region.

Jordan purchased 2.2 million bushels of hard wheat from optional origins in a tender that closed earlier today. The grain is for shipment in early August.

Preliminary volume estimates were for 110,416 CBOT contracts, cooling moderately below Monday's final count of 151,024.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
Bread Milling Wheat				
Mar 2020	R 4 675.00	9%	R -10.90	R 4 664.10
May 2020	R 4 703.00	12.5%	R -8.15	R 4 694.85
Jul 2020	R 4 725.00	8%	R -8.11	R 4 716.89
Sep 2020	R 4 495.00	0%	R -6.98	R 4 488.02
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 R9.00 up and Jul'20 Wheat closed R16.00 higher. The parity move for the Mar'20 Wheat contract for yesterday was R14.00 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	890.00	895.00	0.00	5.00	902.00	7.00
MAY 2020	904.00	909.00	0.00	5.00	915.00	6.00
JUL 2020	918.00	922.25	0.00	4.25	928.25	6.00
AUG 2020	925.00	927.00	-0.50	2.00	933.00	6.00
SEP 2020	922.00	926.50	-0.25	4.50	932.25	5.75

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
MAR 2010	297.6	298.50
MAY 2010	301.9	302.80
JUL 2010	306.2	307.00
AUG 2010	307.6	308.50
SEP 2010	308.7	309.70

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
MAR 2010	31.46	31.81
MAY 2010	31.83	32.17
JUL 2010	32.21	32.54
AUG 2010	32.3	32.62
SEP 2010	32.37	32.70



FarmFutures - Soybean prices were down for a sixth consecutive session Tuesday on another round of technical selling as traders await news of Chinese agricultural purchases. Worries about the ongoing coronavirus outbreak applied additional headwinds. March futures slipped 2.25 cents to \$8.95, with May futures down 2 cents to \$9.09. Coronavirus anxieties have also kicked palm oil futures significantly lower, including a 10% drop today. And cargo surveyor Amspec notes that Malaysian palm oil exports have trended 5.2% lower so far in January. Soybean basis bids were mixed at interior river terminals Tuesday, holding steady elsewhere across the central U.S. today. Traders remain skeptical that the phase-one trade agreement between the U.S. and China will actually result in an additional \$50 billion in agricultural exports. Despite China's lofty promises, the agreement stipulates that "purchases will be made at market prices based on commercial considerations," which leaves more than a little wiggle room for actual export sales. Soybean futures rose steadily in the weeks leading up to the trade deal, which was signed January 15, but have stalled out significantly through the second half of January. Meantime, "Economists will tell you that one reason tariffs are rarely effective policy tools for long is that they usually prompt trading partners to do the same, thus hurting everyone involved eventually," according to Bloomberg. Click here to learn more about the complexities of trade, which tends not to be static and "tends to flow around barriers as businesses adapt."

South African Futures Exchange

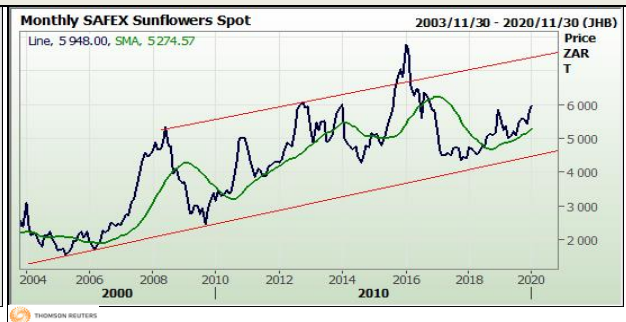
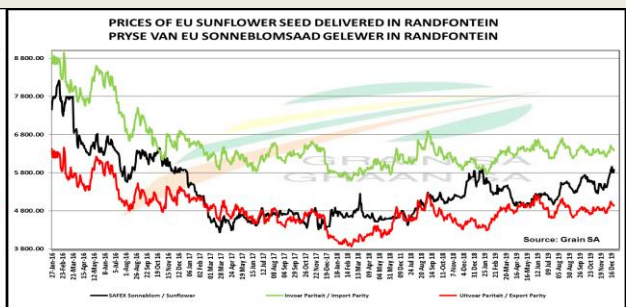
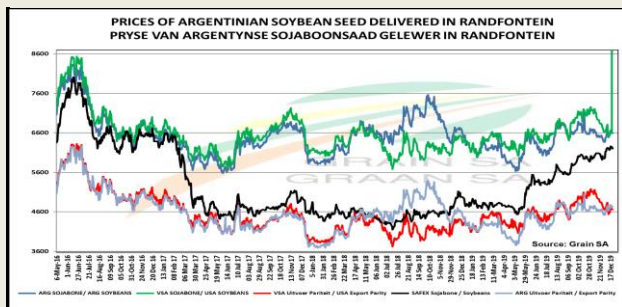
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Mar 2020	R 5 872.00	17%	R 26.21	R 5 898.21
May 2020	R 5 813.00	17.5%	R 20.27	R 5 833.27
Jul 2020	R 5 906.00	20.5%	R 15.67	R 5 921.67
Sep 2020	R 5 947.00	0%	R 15.50	R 5 962.50
Dec 2020	R 6 013.00	0%		R 6 013.00
Mar 2021				
May 2021				

Sunflower Seeds Future		
	MTM	Vols
Mar 2020	R 5 980.00	14%
May 2020	R 5 554.00	13.5%
Jul 2020	R 5 542.00	0%
Sep 2020		
Dec 2020	R 5 830.00	0%
Mar 2021		
May 2021		



The local Soya market traded higher yesterday. The Mar'20 Soya contract ended R16.00 up and Jul'20 Soya closed R32.00 higher. The parity move for the Mar'20 Soya contract for yesterday was R20.00 positive.

The local Suns market closed mixed yesterday. The Mar'20 Suns contract closed R118.00 up while Jul'20 Suns closed R44.00 lower.



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