



**Fundamental Report**  
**27 February 2020**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	15.3135	15.2887	-0.0248	-0.16%
Euro/Rand	16.6658	16.6773	0.0115	0.07%
GBPound/Rand	19.8106	19.7555	-0.0551	-0.28%
AusDollar/Rand	10.0717	10.0263	-0.0454	-0.45%
Euro/USDollar	1.0888	1.0906	0.0018	0.17%
GBPound/USDollar	1.2944	1.2922	-0.0022	-0.17%
AusDollar/USDollar	0.6576	0.6558	-0.0018	-0.27%
JpyYen/USDollar	110.2900	110.2600	-0.0300	-0.03%

BDLive - The JSE had its first day of gains in five while the rand also firmed, brushing off coronavirus worries, as investors cheered the government's plans to reduce spending.

Finance minister Tito Mboweni delivered the national budget speech on Wednesday which saw the rand reverse course after Mboweni announced plans for a R160.2bn reduction in the wage bill over the next three years. "The content of the speech exceeded our expectations. We would like to have seen more detail on Eskom and SAA and presume that tough discussions are still underway at this stage. The economy suffers from a number of pressure points. The budget can only do so much and that was achieved. The strong defence of the independence of the central bank will also reassure markets," said Anchor Capital fund manager Nolan Wapenaar.

At 5.20pm, the rand had strengthened 0.69% to R15.1159/\$, 0.81% to R16.4177/£ and 1.15% to R19.5327/€. The euro had weakened 0.17% to \$1.0862.



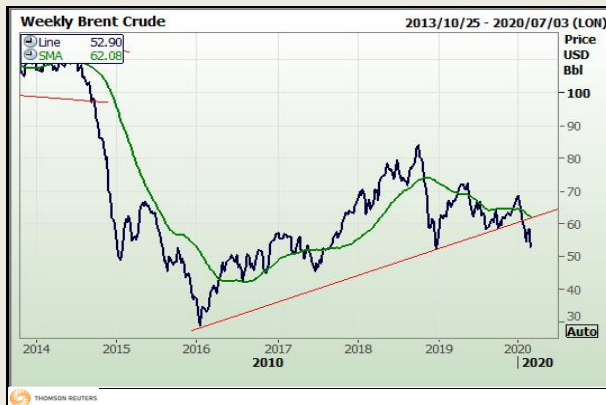
### Commodities

	Last	Value Change	% Change
Platinum	917.72	6.89	0.75%
Gold	1646.36	6.78	0.41%
Silver	18.00	0.12	0.66%
Copper	2.57	0.00	-0.08%
Gasoil	451.00	-17.75	-3.94%
Brent Oil	52.83	-0.60	-1.14%

BDLive - Bengaluru — Gold edged higher on Wednesday after a sharp drop in the previous session, as investors sought safe-haven assets following a warning from the US over the potential domestic spread of the coronavirus.

Spot gold was up 0.3% at \$1,639.74/oz, as of 3.40am GMT, having slumped as much as 1.9% in the previous session. On Monday, prices touched \$1,688.66, their highest in more than seven years. US gold futures eased 0.5% to \$1,641.80. "People are worried that the virus is spreading across the globe and will become a pandemic," said IG Markets analyst Kyle Rodda. "Perhaps, the worst-case scenario to the global economy could start to materialise and that is keeping gold prices bid because everyone is concerned that the virus is leading to low yields."

The US alerted Americans on Tuesday to begin preparing for the spread of coronavirus in the country as outbreaks in Iran, South Korea and Italy escalated.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	49500.52	0.00	0.00%
ALSI	49526.00	0.00	0.00%
S&P 500	3128.21	-11.82	-0.38%
FTSE	7017.88	24.59	0.35%
CAC	5684.55	0.00	0.00%
DAX	12790.49	-15.61	-0.12%
Hang Seng	26696.49	-222.54	-0.83%



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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	371.00	370.50	-0.50	-0.50	369.00	-1.50	-2.00
MAY 2020	375.00	374.50	-0.25	-0.50	373.50	-1.00	-1.50
JUL 2020	378.00	378.75	0.75	0.75	377.75	-1.00	-0.25
SEP 2020	377.00	377.75	0.75	0.75	376.75	-1.00	-0.25
DEC 2020	381.00	381.50	0.50	0.50	380.75	-0.75	-0.25

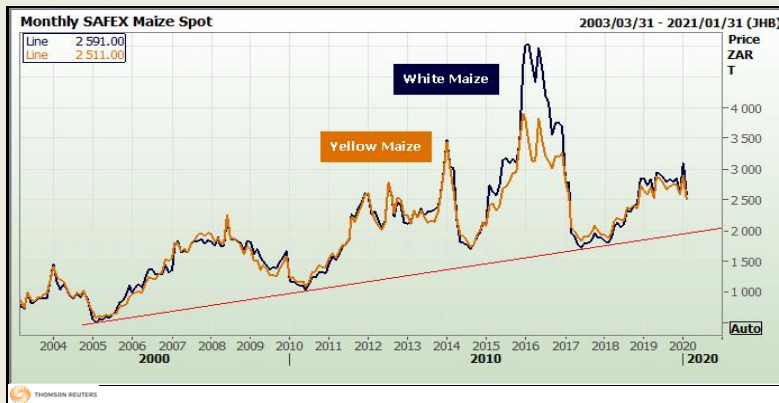
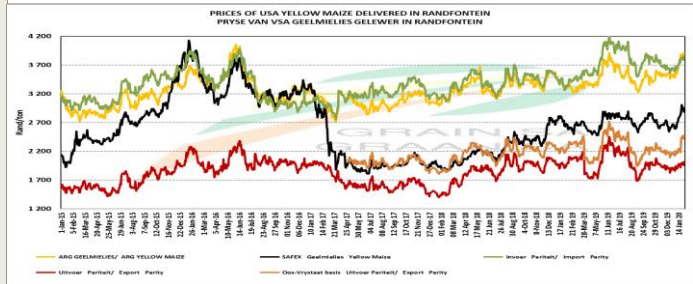
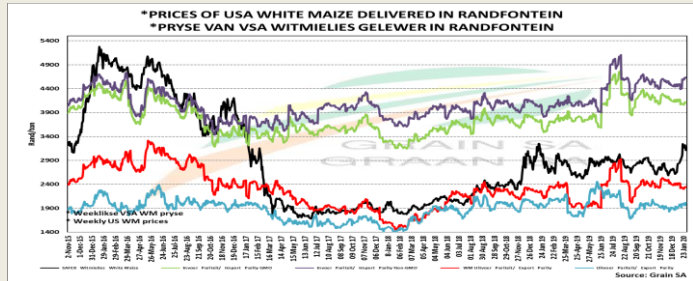
FarmFutures - Corn prices followed some other commodities lower again on Wednesday amid ongoing concerns about the spread of China's coronavirus, which triggered some technical selling. March and May futures each dipped 2 cents lower to close at \$3.7050 and \$3.7425, respectively. Corn basis bids were largely steady across the central U.S. but did dip a penny lower at an Iowa river terminal today. Farmer sales have been light so far this week. Private exporters reported to USDA the sale of 4.8 million bushels of corn for delivery to South Korea during the 2019/20 marketing year, which began September 1. This is an optional-origin contract that can be sourced from the U.S. or other countries. Ahead of tomorrow morning's weekly USDA export report, analysts expect the agency to show corn sales ranging between 31.5 million and 51.2 million bushels for the week ending February 20. Actuals will need to land on the high end of those estimates to top the prior week's tally of 49.2 million bushels. South Africa's corn harvest is expected to rise 29% year-over-year, surpassing 573 million bushels, according to the country's crop estimates committee. The uptick in production is attributed to higher planted acres and generally favorable weather conditions. Ukrainian corn exports for the 2019/20 marketing season have reached 751.9 million bushels, per the country's agriculture ministry. China's purchases of U.S. grain have been thin at best in recent weeks, although the country recently bid on some U.S. sorghum, which some see as confirmation that it is willing to ramp up purchases only when prices are cheap enough. Click here to learn more. Ethanol production for the week ending February 21 made some momentum, reaching a daily average of 1.054 million barrels. April ethanol futures dropped 1.5% this afternoon to \$1.296. Grain traveling the nation's railways continues its sluggish pace so far in 2020, with another 18,909 carloads last week, slipping 12.8% compared to the same time a year ago. Cumulative totals this year reached 156,295 carloads, trending 10.6% below last year's pace. Preliminary volume estimates boomed to 691,318 contracts, more than doubling Tuesday's final count of 319,235.



## South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
Mar 2020	R 2 591.00	34%	R -15.66	R 2 575.34
May 2020	R 2 358.00	23%	R -12.69	R 2 345.31
Jul 2020	R 2 211.00	19.75%	R -5.20	R 2 205.80
Sep 2020	R 2 270.00	0%	R -5.19	R 2 264.81
Dec 2020	R 2 365.00	20%	R -5.22	R 2 359.78
Mar 2021	R 2 409.00	0%		R 2 409.00
May 2021				
<b>Yellow Maize Future</b>				
Mar 2020	R 2 511.00	33%	R -15.66	R 2 495.34
May 2020	R 2 406.00	26%	R -12.69	R 2 393.31
Jul 2020	R 2 358.00	19.5%	R -5.20	R 2 352.80
Sep 2020	R 2 410.00	0%	R -5.19	R 2 404.81
Dec 2020	R 2 485.00	20%	R -5.22	R 2 479.78
Mar 2021	R 2 516.00	0%		R 2 516.00
May 2021				

The local Maize market traded mixed yesterday. The Mar'20 WMAZ contract ended R10.00 down and Mar'20 YMAZ closed R15.00 lower. The Jul'20 WMAZ closed higher by R3.00 and Jul'20 YMAZ ended R14.00 up. The parity move for the Mar'20 Maize contract for yesterday was R16.00 negative.

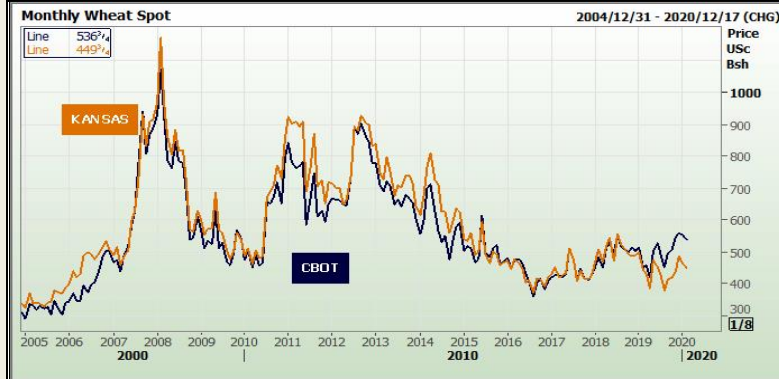


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## Wheat Market

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

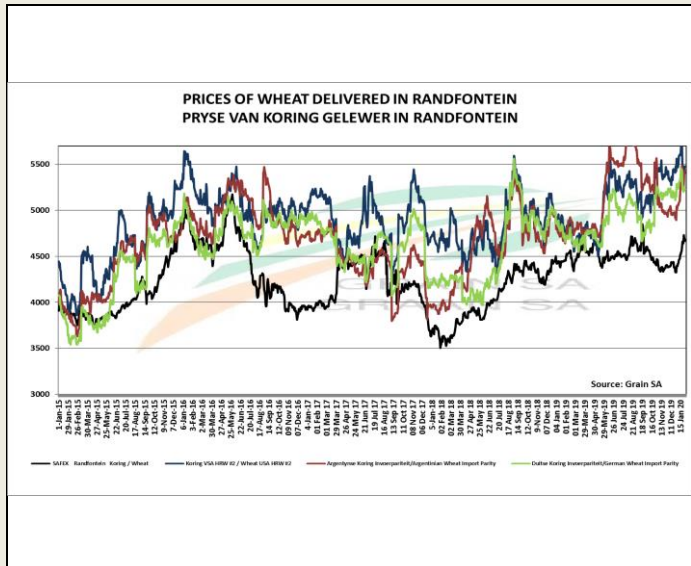
CBOT Wheat									KBOT Wheat							
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm		Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
MAR 2020	537.00	540.25	6.25	3.25	536.50	-3.75	-0.50		MAR 2010	453.00	452.25	4.25	-0.75	449.75	-2.50	-3.25
MAY 2020	535.00	535.75	5.50	0.75	532.00	-3.75	-3.00		MAY 2010	460.00	459.25	4.00	-0.75	456.75	-2.50	-3.25
JUL 2020	535.00	535.50	5.00	0.50	532.25	-3.25	-2.75		JUL 2010	466.00	466.25	4.00	0.25	463.75	-2.50	-2.25
SEP 2020	541.00	541.75	3.75	0.75	538.50	-3.25	-2.50		SEP 2010	475.00	475.25	4.25	0.25	472.50	-2.75	-2.50
DEC 2020	551.00	551.75	3.00	0.75	529.00	-22.75	-22.00		DEC 2010	486.00	488.00	4.25	2.00	486.00	-2.00	0.00



FarmFutures - Wheat prices were mixed but mostly lower Wednesday on an uneven round of technical maneuvering. A bullish set of export data from USDA tomorrow morning could help tip prices back into the green. March Chicago SRW futures edged 1.25 cents higher to \$5.4025, March Kansas City HRW futures dropped 3.25 cents to \$4.5175, and March MGEX spring wheat futures slipped 0.75 cents to \$5.1475. Ahead of tomorrow morning's weekly export report from USDA, analysts expect the agency to show wheat sales ranging between 15.6 million and 25.7 million for the week ending February 20. The prior week's tally was for 14.9 million bushels. Ukraine's grain exports are up 23% so far this marketing year, anchored by wheat exports that have surpassed 606 million bushels since July. South Korean flour mills purchased 3.1 million bushels of milling wheat from the U.S. in a tender that closed earlier today. Syria issued a new tender to purchase 7.3 million bushels of soft wheat, with a deadline of March 23. The country continues to see a grain deficit amid recent conflicts, although last year's production increased due to more favorable weather conditions. Preliminary volume estimates were for 113,011 CBOT contracts, falling moderately below Tuesday's final tally of 156,477.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
Mar 2020	R 4 854.00	9%	R -7.70	R 4 846.30
May 2020	R 4 890.00	12.5%	R -21.73	R 4 868.27
Jul 2020	R 4 890.00	9%	R -20.32	R 4 869.68
Sep 2020	R 4 650.00	0%	R -18.97	R 4 631.03
Dec 2020	R 4 450.00	0%	R -128.61	R 4 321.39
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 higher yesterday. The Mar'20 Wheat contract closed R58.00 up and Jul'20 Wheat closed R72.00 higher. The parity move for the Mar'20 Wheat contract for yesterday was R2.00 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	877.00	881.00	0.00	4.00	902.00	21.00
MAY 2020	887.00	892.00	0.00	5.00	888.75	-3.25
JUL 2020	898.00	902.75	0.00	4.75	900.00	-2.75
AUG 2020	902.00	907.00	-0.50	5.00	904.00	-3.00
SEP 2020	903.00	907.75	-0.25	4.75	905.25	-2.50

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
MAR 2010	291.3	290.30
MAY 2010	298.3	297.40
JUL 2010	303.8	303.00
AUG 2010	305.8	305.00
SEP 2010	307.1	306.10

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
MAR 2010	29.07	29.08
MAY 2010	29.45	29.47
JUL 2010	29.83	29.86
AUG 2010	30	30.05
SEP 2010	30.16	30.18



FarmFutures - Soybean prices held onto modest gains Wednesday on some technical buying prompted by news from a major South American competitor earlier today. March futures picked up 2 cents to \$8.81, with May futures rising 3.75 cents to \$8.92. Soybean basis bids ticked a penny higher at an Illinois river terminal while holding steady elsewhere across the central U.S. today. The grain is for shipment between May and June. Ahead of tomorrow morning's weekly export report from USDA, analysts expect the agency to show soybean sales ranging between 22.0 million and 33.1 million bushels for the week ending February 20, expressing confidence that actuals will top the prior week's tally of 18.3 million bushels. Analysts also expect USDA to report another 150,000 to 350,000 metric tons of soy meal sales, plus 8,000 to 45,000 MT of soy oil sales last week. Argentina's ministry of agriculture suspended the registration of agricultural exports until further notice, which some are seeing as a precursor to higher export tariffs under the country's new government. Competition remains stiff with Brazil, meantime, which is expecting a record-breaking harvest later this year and is priced lower than U.S. grain for now. Could USDA's latest 2020/21 soybean balance sheet be sending a signal to the market that we need more soybean acres in 2020 and less corn acres? Duane Lowry and Chris Barron tackle this and many other questions in the latest Ag View Pitch podcast - click here to listen. Preliminary volume estimates were for 310,530 contracts, climbing moderately ahead of Tuesday's final count of 197,423.

### South African Futures Exchange

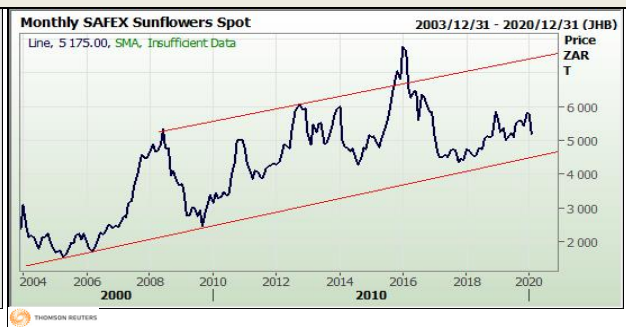
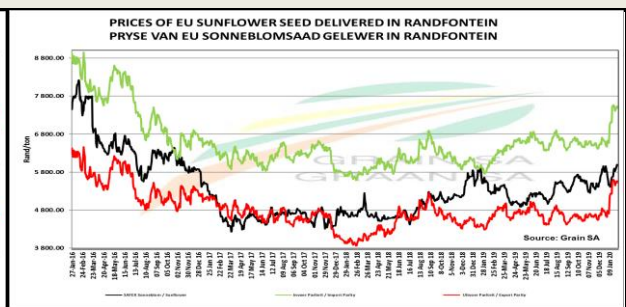
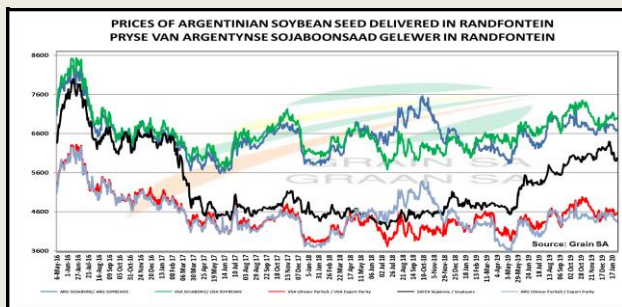
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Mar 2020	R 5 967.00	17%	R 132.45	R 6 099.45
May 2020	R 5 701.00	17.5%	R 1.75	R 5 702.75
Jul 2020	R 5 784.00	20.5%	R 3.05	R 5 787.05
Sep 2020	R 5 868.00	0%	R 4.41	R 5 872.41
Dec 2020	R 5 922.00	0%		R 5 922.00
Mar 2021				
May 2021				

Sunflower Seeds Future		
	MTM	Vols
Mar 2020	R 5 175.00	14%
May 2020	R 5 280.00	14%
Jul 2020	R 5 368.00	18%
Sep 2020	R 5 475.00	0%
Dec 2020	R 5 631.00	0%
Mar 2021		
May 2021		



The local Soya market traded higher yesterday. The Mar'20 Soya contract ended R85.00 up and Jul'20 Soya closed R68.00 higher. The parity move for the Mar'20 Soya contract for yesterday was R1.00 positive.

The local Suns market closed lower yesterday. The Mar'20 Suns contract closed R32.00 down and Jul'20 Suns closed R5.00 lower.



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