



**Fundamental Report**  
**07 February 2020**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	14.8572	14.9080	0.0508	0.34%
Euro/Rand	16.3406	16.3741	0.0335	0.21%
GBPound/Rand	19.2773	19.2931	0.0158	0.08%
AusDollar/Rand	10.0152	10.0152	0.0000	0.00%
Euro/USDollar	1.0999	1.0983	-0.0016	-0.15%
GBPound/USDollar	1.2976	1.2942	-0.0034	-0.26%
AusDollar/USDollar	0.6741	0.6718	-0.0023	-0.34%
JpyYen/USDollar	109.8200	109.9100	0.0900	0.08%

BDLive - The JSE had its third consecutive day of gains on Thursday as China's move to halve some tariffs on US imports lifted global market sentiment.

China said on Thursday that it would cut additional tariffs on more than 1,700 items imported from the US following the signing of the first phase of a trade deal between the two countries, Reuters reported.

This helped calm global markets, which have been rattled by the rapid spread of the coronavirus, with the death toll now at 565.

"Financial markets were in rally mode after China signaled earlier that it will be halving half of the tariffs on \$75bn in US imports. China's tariff decision shows it is going to try to play nice with the US on the trade front. This tariff action will likely pave the way for it asking for some leniency on delivering on its phase-one purchase commitments," said Oanda senior market analyst Edward Moya.



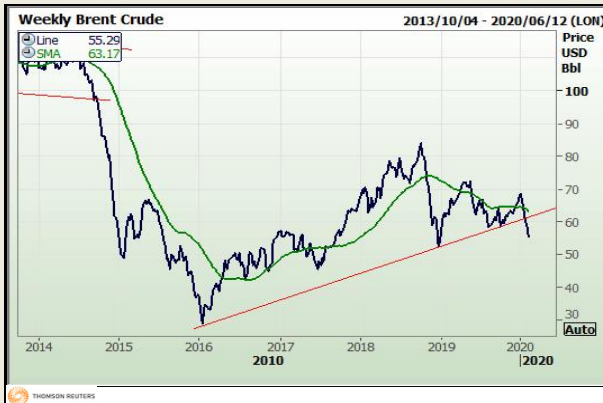
### Commodities

	Last	Value Change	% Change
Platinum	960.09	-1.43	-0.15%
Gold	1567.57	1.01	0.06%
Silver	17.80	-0.01	-0.04%
Copper	2.58	-0.01	-0.35%
Gasoil	510.00	2.25	0.44%
Brent Oil	55.29	0.36	0.65%

BDLive - Bengaluru — Gold prices were little changed on Thursday as strong US economic data was offset by fears over a rapidly spreading coronavirus outbreak and its effect on the global economy.

Spot gold was flat at \$1,556.36/oz by 1am GMT. Prices hit a more than two-week low of \$1,546.90 in the previous session. US gold futures fell 0.2% to \$1,559.30. Another 73 people on the Chinese mainland died on Wednesday from the virus outbreak, the highest daily increase so far, bringing the total death toll to 563, the country's health authority said.

Positive data from the US, such as the rise in January private payrolls and services sector activity, suggested the economy could continue to grow moderately in 2020. The US trade deficit fell for the first time in six years in 2019 as the White House's trade war with China curbed the import bill.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	51612.07	0.00	0.00%
ALSI	51572.00	0.00	0.00%
S&P 500	3334.69	11.09	0.33%
FTSE	7482.48	22.31	0.30%
CAC	6038.18	0.00	0.00%
DAX	13478.33	96.49	0.72%
Hang Seng	27493.70	-223.09	-0.81%



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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	380.00	379.25	-0.50	-0.75	381.75	2.50	1.75
MAY 2020	385.00	384.50	-0.25	-0.50	386.75	2.25	1.75
JUL 2020	390.00	388.00	-0.50	-2.00	389.75	1.75	-0.25
SEP 2020	388.00	385.50	-0.75	-2.50	387.25	1.75	-0.75
DEC 2020	392.00	389.75	-0.50	-2.25	391.25	1.50	-0.75

FarmFutures - Corn prices sputtered Thursday on some technical selling, although a healthy round of export data from USDA this morning held losses to a minimum. March futures lost 1.5 cents to \$3.7925, with May futures dropping 2 cents to \$3.8450.

Corn basis bids held steady across many Midwestern locations Thursday, firming 1 to 2 cents higher at two interior river terminals today.

Corn export old crop sales reached 49.1 million bushels last week, edging 1% above the prior week's tally and maintaining a 57% lead over the prior four-week average. That total was also moderately above the average trade guess of 42.4 million bushels. New crop sales added an additional 3.6 million bushels to the bottom line. Cumulative totals for the 2019/20 marketing year are now at 437.3 million bushels, versus last year's pace of 758.5 million bushels.

In contrast, corn export shipments last week fell 12% below the prior week's tally to 23.6 million bushels, which still bested the prior four-week tally by 12%. Mexico accounted for nearly half of the total, taking nearly 11.0 million bushels.

Ahead of USDA's February World Agricultural Supply and Demand Estimates (WASDE) report, out next Tuesday, analysts expect the agency to lower its projection of U.S. corn ending stocks from 1.892 billion bushels in January down to 1.864 billion bushels this month. USDA will not be including details about buying targets for individual commodities in the phase-one trade agreement with China, however.

South Korea purchased 2.4 million bushels of corn, likely sourced from the U.S., in a deal Wednesday. The grain is for arrival in late April.

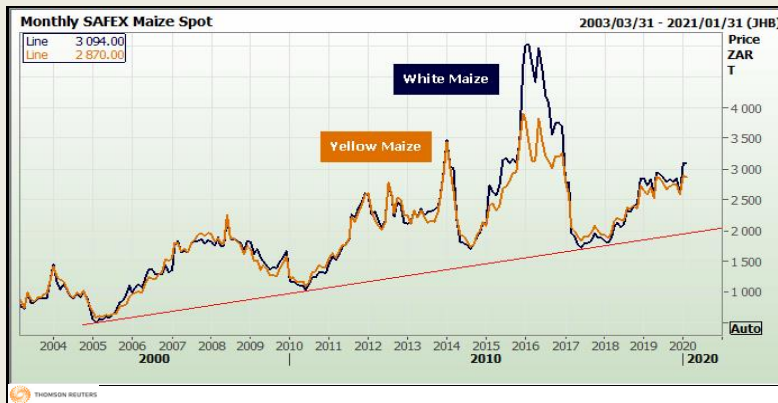
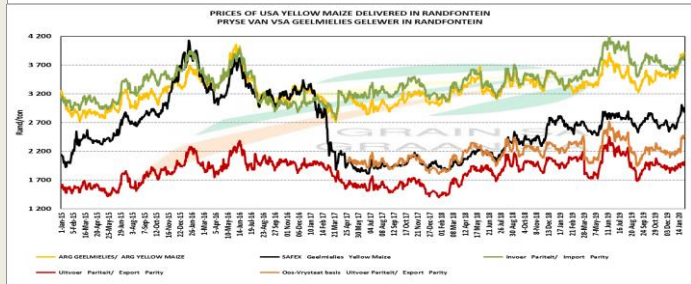
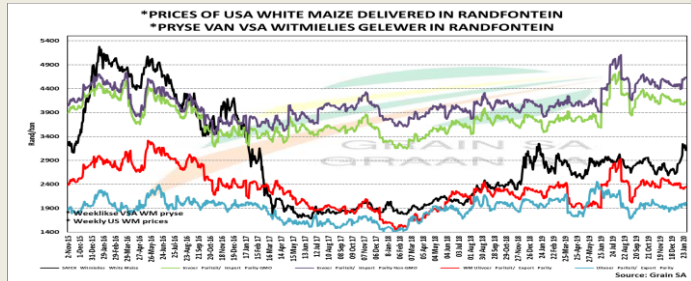
Preliminary volume estimates were for 363,251 contracts, moving moderately above Wednesday's final count of 236,654.



### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
Mar 2020	R 3 050.00	34.75%	R 17.87	R 3 067.87
May 2020	R 2 473.00	22.5%	R 17.97	R 2 490.97
Jul 2020	R 2 347.00	20.75%	R 6.33	R 2 353.33
Sep 2020	R 2 401.00	0%	R 3.36	R 2 404.36
Dec 2020	R 2 495.00	29%	R 3.44	R 2 498.44
Mar 2021				
May 2021				
<b>Yellow Maize Future</b>				
Mar 2020	R 2 865.00	23%	R 17.87	R 2 882.87
May 2020	R 2 502.00	0%	R 17.97	R 2 519.97
Jul 2020	R 2 452.00	20.25%	R 6.33	R 2 458.33
Sep 2020	R 2 495.00	0%	R 3.36	R 2 498.36
Dec 2020	R 2 580.00	20.25%	R 3.44	R 2 583.44
Mar 2021	R 2 609.00	0%		R 2 609.00
May 2021				

The local Maize market traded mixed yesterday. The Mar'20 WMAZ contract ended R30.00 up and Mar'20 YMAZ closed R12.00 higher. The Jul'20 WMAZ closed higher by R7.00 while Jul'20 YMAZ ended R6.00 down. The parity move for the Mar'20 Maize contract for yesterday was R22.00 positive.



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## Wheat Market

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

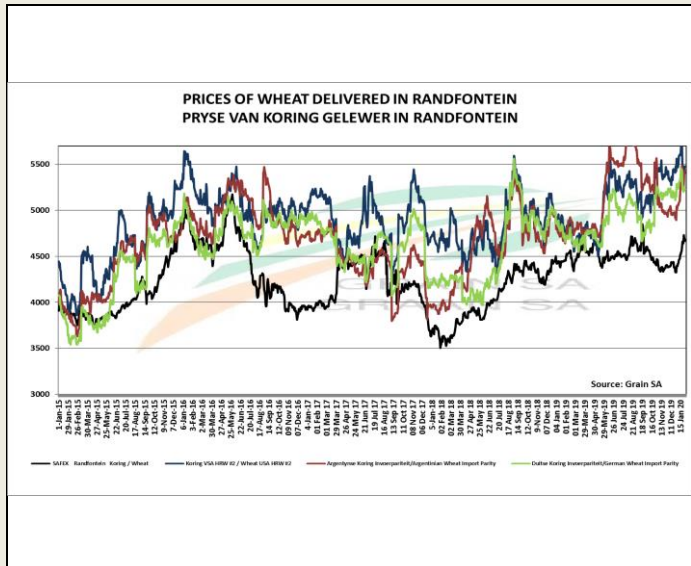
CBOT Wheat									KBOT Wheat							
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm		Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
MAR 2020	560.00	556.25	6.25	-3.75	556.25	0.00	-3.75		MAR 2010	472.00	467.75	4.25	-4.25	467.75	0.00	-4.25
MAY 2020	557.00	553.50	5.50	-3.50	553.25	-0.25	-3.75		MAY 2010	479.00	474.50	4.00	-4.50	474.50	0.00	-4.50
JUL 2020	556.00	553.25	5.00	-2.75	553.25	0.00	-2.75		JUL 2010	486.00	481.50	4.00	-4.50	481.75	0.25	-4.25
SEP 2020	562.00	558.50	3.75	-3.50	558.50	0.00	-3.50		SEP 2010	494.00	489.50	4.25	-4.50	488.75	-0.75	-5.25
DEC 2020	570.00	567.00	3.00	-3.00	529.00	-38.00	-41.00		DEC 2010	509.00	501.00	4.25	-8.00	500.00	-1.00	-9.00



FarmFutures - Wheat prices stumbled Thursday on the heels of a disappointing round of export data from USDA this morning, which sparked fresh demand concerns and kicked off a round of technical selling. March Chicago SRW futures dropped 5.75 cents to \$5.5625, March Kansas City HRW futures fell 6 cents to \$4.6775, and March MGEX spring wheat futures lost 2.75 cents to \$5.3225. Wheat export sales were relatively disappointing after reaching 12.4 million bushels last week. That was 48% below last week's tally and 35% lower than the prior four-week average. Totals also came in on the low end of trade estimates that ranged between 7.3 million and 27.6 million bushels. Cumulative sales in 2019/20 remain moderately ahead of last year's pace, however, with 591.9 million bushels. Wheat export shipments fared better, with 14.9 million bushels – good enough to top the prior week's tally by 85% and edge 4% above the prior four-week average. The Philippines was the No. 1 destination, with 4.9 million bushels. Ahead of February's WASDE report from USDA, out February 11, analysts expect the agency to lower its assessment of U.S. ending wheat stocks from 965 million bushels in January down to 954 million bushels. Preliminary volume estimates were for 100,277 CBOT contracts, down slightly from Wednesday's final count of 105,543.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
Mar 2020	R 4 707.00	9%	R -10.09	R 4 696.91
May 2020	R 4 705.00	12.5%	R -10.14	R 4 694.86
Jul 2020	R 4 735.00	8%	R -4.69	R 4 730.31
Sep 2020	R 4 510.00	0%	R -8.68	R 4 501.32
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 higher yesterday. The Mar'20 Wheat contract closed R29.00 up and Jul'20 Wheat closed R25.00 higher. The parity move for the Mar'20 Wheat contract for yesterday was R6.00 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	884.00	881.00	0.00	-3.00	902.00	21.00
MAY 2020	898.00	894.75	0.00	-3.25	897.50	2.75
JUL 2020	912.00	907.75	0.00	-4.25	910.50	2.75
AUG 2020	917.00	912.50	-0.50	-4.50	916.00	3.50
SEP 2020	918.00	913.50	-0.25	-4.50	917.00	3.50

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
MAR 2010	288.2	289.40
MAY 2010	294	295.30
JUL 2010	299	300.30
AUG 2010	300.8	302.10
SEP 2010	302.1	303.30

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
MAR 2010	31.24	31.28
MAY 2010	31.61	31.66
JUL 2010	31.97	32.02
AUG 2010	32.1	32.13
SEP 2010	32.21	32.27



FarmFutures - Soybean prices emerged from a choppy session with small gains today, amid general optimism that Chinese exports will soon pick up after the country signaled a cut in tariffs. But lingering doubts remain over the country's short-term demand needs as it continues to deal with the coronavirus outbreak. March futures picked up a penny to reach \$8.81, with may futures adding 1.25 cents to \$8.9475. Soybean basis bids were narrowly mixed at interior river terminals Thursday, holding steady across most other Midwestern locations today. Soybean export sales rebounded 76% higher from a dismal performance the prior week to reach 25.9 million bushels, which was also 29% better than the prior four-week average and topping the average trade guess of 20.2 million bushels. China was conspicuously absent from last week's data set due to the country's Lunar New Year holidays, with Egypt (9.7 million) occupying the top spot. Soybean export shipments were for 53.2 million bushels last week, which was a 25% improvement over the prior week's tally and 28% better than the prior four-week average. China took more than a third of that total, with 20.3 million bushels. China has cut tariffs for \$75 billion of U.S. imports, including some agricultural products such as soybeans and pork, as the two nations look ahead to a potential phase-two trade agreement in the coming months. "The next steps depend on the development of the Chinese-U.S. economic and trade situation," according to a statement from the ministry of finance. "We hope to work with the United States toward the final elimination of all tariff increases." Preliminary volume estimates were for 205,378 contracts, moving moderately ahead of Wednesday's final count of 144,267.

### South African Futures Exchange

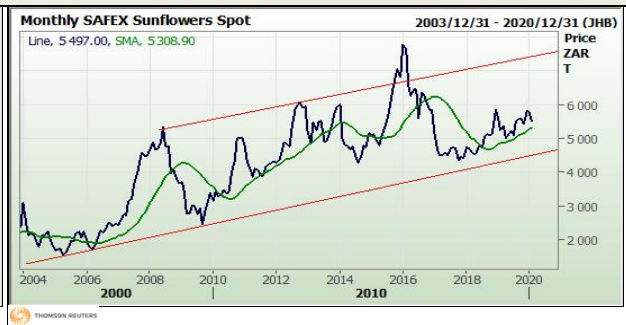
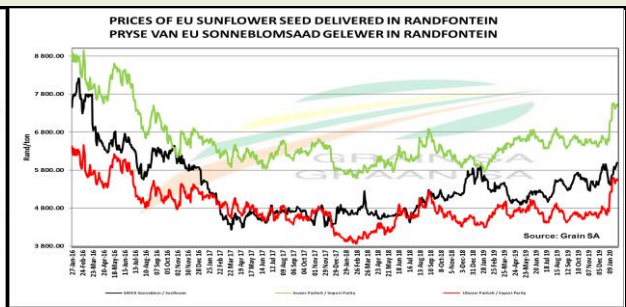
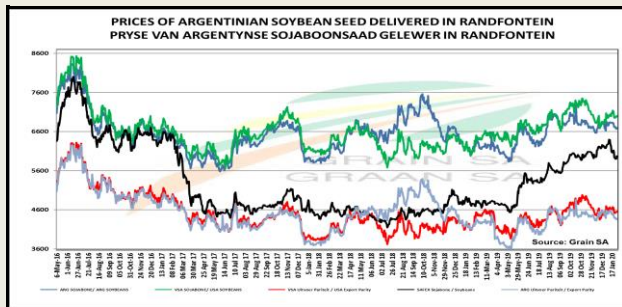
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Mar 2020	R 5 907.00	17%	R 115.10	R 6 022.10
May 2020	R 5 750.00	17.5%	R 14.02	R 5 764.02
Jul 2020	R 5 840.00	20.5%	R 8.81	R 5 848.81
Sep 2020	R 5 938.00	0%	R 11.66	R 5 949.66
Dec 2020	R 6 013.00	0%		R 6 013.00
Mar 2021				
May 2021				

Sunflower Seeds Future		
	MTM	Vols
Mar 2020	R 5 548.00	14%
May 2020	R 5 423.00	13.5%
Jul 2020	R 5 488.00	18%
Sep 2020	R 5 553.00	0%
Dec 2020	R 5 700.00	0%
Mar 2021		
May 2021		



The local Soya market traded mixed yesterday. The Mar'20 Soya contract ended R17.00 up while Jul'20 Soya closed R1.00 lower. The parity move for the Mar'20 Soya contract for yesterday was R16.00 positive.

The local Suns market closed higher yesterday. The Mar'20 Suns contract closed R81.00 up and Jul'20 Suns closed R78.00 higher.



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