



**Fundamental Report**  
**22 May 2020**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	17.9657	17.6361	-0.3296	-1.83%
Euro/Rand	19.6924	19.2799	-0.4125	-2.09%
GBPound/Rand	21.9625	21.5252	-0.4373	-1.99%
AusDollar/Rand	11.7700	11.5340	-0.2360	-2.01%
Euro/USDollar	1.0962	1.0938	-0.0024	-0.22%
GBPound/USDollar	1.2227	1.2213	-0.0014	-0.11%
AusDollar/USDollar	0.6555	0.6540	-0.0015	-0.23%
JpyYen/USDollar	107.7800	107.5400	-0.2400	-0.22%

BDLive - The rand firmed to its best levels in nearly two months on Thursday after the Reserve Bank delivered its fourth repo rate cut of the year. The Bank cut interest rates by 50 basis points (bps), a move expected to bring further relief to SA's battered economy, most of which is still under lockdown. The cut takes the benchmark rate to 3.75%, its lowest level since the repo was introduced in 1998.

The latest cut was in line with the median forecast among 20 economists polled by Bloomberg.

"With inflation expected to continue to slow in the coming months, further cuts might be on the cards," said Peregrine Treasury Solutions executive director Bianca Botes. "Risk appetite towards emerging markets will continue to be the main driver of further rand movements in the weeks to come, with resistance to stronger levels being tested."

The local currency, which has gained about 5.6% against the dollar so far in May, has been boosted by improved sentiment as more economies reopen and optimism about a potential coronavirus vaccine.

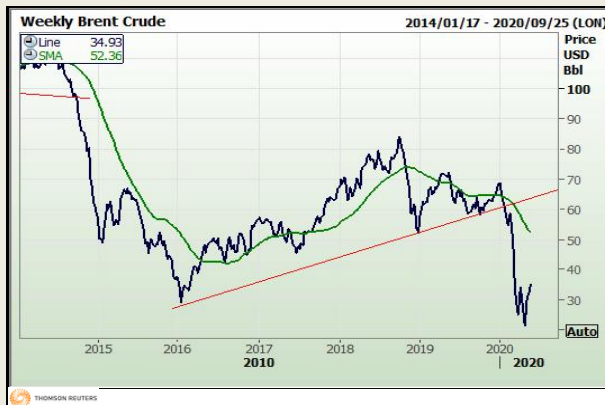


### Commodities

	Last	Value Change	% Change
Platinum	823.91	-8.51	-1.03%
Gold	1725.49	0.28	0.02%
Silver	16.79	-0.27	-1.62%
Copper	2.40	-0.03	-1.27%
Gasoil	287.75	-8.75	-3.04%
Brent Oil	34.83	-1.23	-3.53%

BDLive - Bengaluru — Gold fell on Thursday, pressured by hopes of a swift recovery from the coronavirus-driven recession, though losses were capped by prospects of more stimulus and bleak data. Spot gold slid 0.6% to \$1,738.97/oz by 2.50am GMT. US gold futures slipped 0.6% to \$1,740.80. Global equities and crude prices surged overnight on hopes of a rapid recovery from the coronavirus-driven recession. "There is still some optimism and risk-on sentiment about the possibility of a vaccine and talks of lockdown easing and growth slowly picking up," said National Australia Bank economist John Sharma. "But it's not a huge thing, and if it was major, we would see gold going below \$1,700." Gold rallied to its highest level since October 2012 on Monday, driven by a cocktail of economic damage concerns, US-China tensions, and massive monetary and fiscal stimulus.

US Federal Reserve policymakers acknowledged the possibility of further support measures if the economic downturn persists, the minutes from the Fed's latest policy meeting showed.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	47232.26	0.00	0.00%
ALSI	47425.00	0.00	0.00%
S&P 500	2971.61	-23.10	-0.78%
FTSE	6067.16	-51.91	-0.86%
CAC	4445.45	0.00	0.00%
DAX	11065.93	0.00	0.00%
Hang Seng	24280.03	-895.57	-3.69%



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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
JUL 2020	319.00	317.75	-0.50	-1.25	317.00	-0.75	-2.00
SEP 2020	324.00	323.00	-0.25	-1.00	322.25	-0.75	-1.75
DEC 2020	333.00	333.00	-0.50	0.00	332.25	-0.75	-0.75
MAR 2021	346.00	345.50	-0.75	-0.50	345.00	-0.50	-1.00
MAY 2021	353.00	353.25	-0.50	0.25	352.50	-0.75	-0.50

FarmFutures - Corn prices suffered a modest setback Thursday after spillover weakness from soybeans and an unimpressive round of export data from USDA earlier this morning triggered some technical selling. July futures dropped 1.5 cents to \$3.18, with September futures down 1.25 cents to \$3.23.

Corn basis bids were mixed Thursday, dropping 3 to 5 cents at multiple interior river terminals while firming 1 to 4 cents higher at two other Midwestern locations today. Corn prices have been trying to grind slowly higher in recent sessions, despite today's setback. And there are four factors that could keep momentum moving forward later this spring, according to Naomi Blohm, senior market adviser with Stewart Peterson. Click here to learn more in our latest Ag Marketing IQ blog.

Corn exports grabbed 34.8 million bushels in old crop sales minus a net reduction of 1.2 million bushels in new crop sales for a total of 33.6 million bushels, falling on the low end of trade estimates. Cumulative totals for the 2019/20 marketing year are now at 1.050 billion bushels, which is still significantly behind last year's pace of 1.491 billion bushels. Corn export shipments fared better, with 49.7 million bushels – slipping 4% lower than a week ago but still 10% above the prior four-week average. Mexico was the top destination, with 14.3 million bushels.

China plans to auction off more than 157 million bushels of corn from its state reserves on May 28 in the wake of better-than-expected domestic demand.

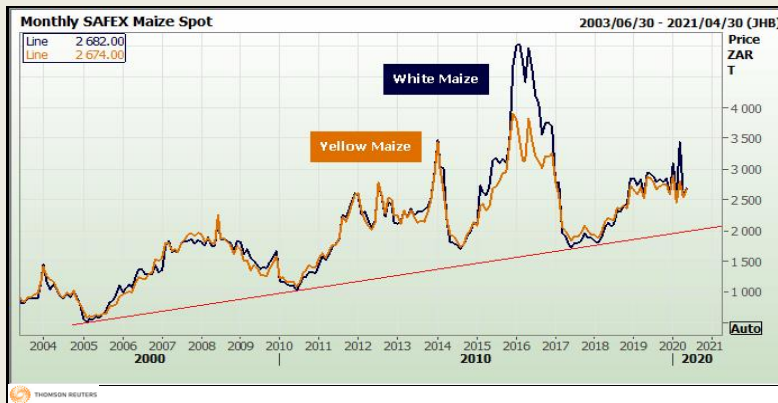
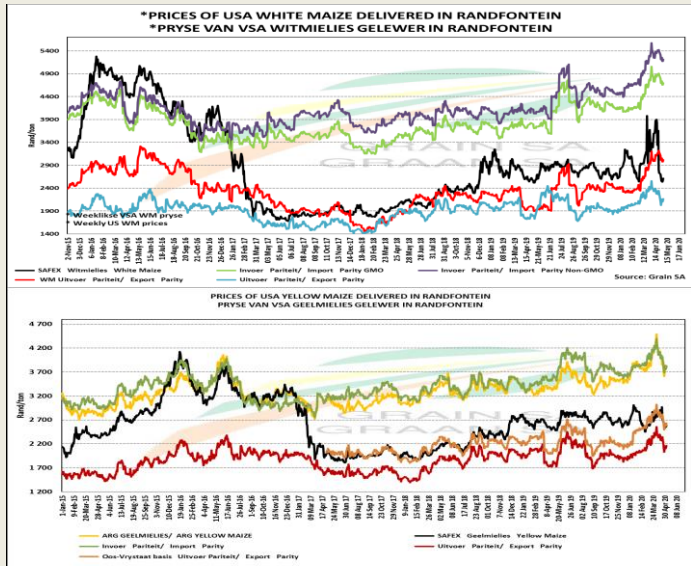
Preliminary volume estimates were for 172,892 contracts, falling moderately below Wednesday's final count of 235,497.



### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
May 2020	R 2 682.00	32%		R 2 682.00
Jul 2020	R 2 448.00	24.75%	R -55.28	R 2 392.72
Sep 2020	R 2 497.00	20%	R -54.19	R 2 442.81
Dec 2020	R 2 587.00	21.75%	R -48.42	R 2 538.58
Mar 2021	R 2 614.00	23.5%	R -51.84	R 2 562.16
May 2021	R 2 632.00	0%	R -49.28	R 2 582.72
Jul 2021	R 2 652.00	27%		R 2 652.00
<b>Yellow Maize Future</b>				
May 2020	R 2 674.00	26%		R 2 674.00
Jul 2020	R 2 578.00	22.5%	R -55.28	R 2 522.72
Sep 2020	R 2 629.00	18%	R -54.19	R 2 574.81
Dec 2020	R 2 711.00	20%	R -48.42	R 2 662.58
Mar 2021	R 2 735.00	19.5%	R -51.84	R 2 683.16
May 2021	R 2 709.00	0%	R -49.28	R 2 659.72
Jul 2021	R 2 705.00	18%		R 2 705.00

The local Maize market traded mixed yesterday. The May'20 WMAZ contract ended R68.00 down while May'20 YMAZ closed R4.00 higher. The Jul'20 WMAZ closed lower by R35.00 and Jul'20 YMAZ ended R36.00 down. The parity move for the May'20 Maize contract for yesterday was R54.00 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
JUL 2020	844.00	835.00	0.00	-9.00	902.00	67.00
AUG 2020	847.00	838.50	0.00	-8.50	837.75	-0.75
SEP 2020	848.00	840.00	0.00	-8.00	840.00	0.00
NOV 2020	853.00	845.50	-0.50	-7.50	845.75	0.25
JAN 2021	856.00	849.50	-0.25	-6.50	849.50	0.00

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
JUL 2010	282.5	283.20
AUG 2010	284.4	285.20
SEP 2010	286.1	286.80
OCT 2010	287.5	288.30
DEC 2010	290.9	291.50

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
JUL 2010	27.11	26.83
AUG 2010	27.3	27.01
SEP 2010	27.46	27.19
OCT 2010	27.61	27.40
DEC 2010	27.93	27.66



FarmFutures - Soybean prices tumbled more than 1% lower today as tensions between the U.S. and China have been ratcheting up this week. Traders shrugged off a strong round of export sales data this morning, noting no large sales to China have been reported since May 14. July futures fell 11.5 cents to \$8.3525, with August futures dropping 10.25 cents to \$8.39. Soybean basis bids were narrowly mixed at two interior river terminals Thursday and dropped 6 cents at an Iowa processor while holding steady elsewhere across the central U.S. today. Soybean export sales were solid last week, with 44.3 million bushels in old crop sales plus 17.0 million bushels in new crop sales, besting all trade estimates and jumping 80% above the prior four-week average. The U.S. and China continue to trade barbs over how each country has reacted to the coronavirus pandemic. The latest sharp words came yesterday from U.S. Secretary of State Mike Pompeo, who called China's \$2 billion to fight the pandemic "paltry" while accusing the country of censoring discussion "and much, much more." A Chinese Foreign Ministry spokesperson reacted by calling Pompeo "extremely irresponsible." USDA also announced it will make up to \$1 billion in loan guarantees available to "help rural businesses meet their working capital needs during the coronavirus pandemic." Eligible applicants should contact their local USDA Rural Development State Office for details. Preliminary volume estimates were for 180,227 contracts, moving moderately above Wednesday's final count of 115,286.

### South African Futures Exchange

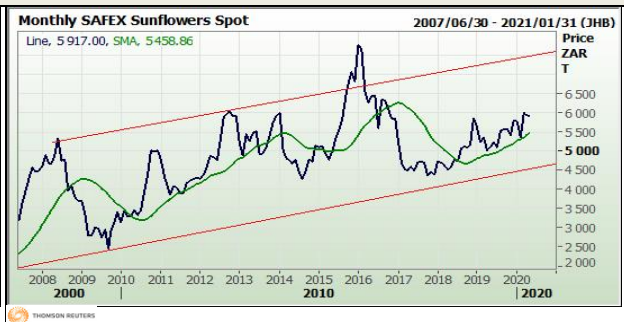
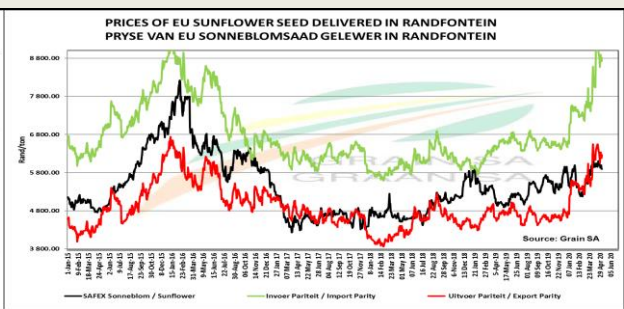
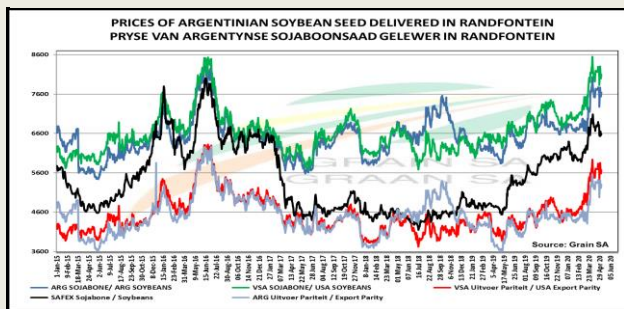
Soybean Future				
	MTM	Vols	Parity Change	Market Price
May 2020	R 6 410.00	28.25%		R 6 410.00
Jul 2020	R 6 475.00	21%	R 273.63	R 6 748.63
Sep 2020	R 6 562.00	14.75%	R -154.54	R 6 407.46
Dec 2020	R 6 644.00	15%		R 6 644.00
Mar 2021				
May 2021	R 6 208.00	0%		R 6 208.00
Jul 2021				

Sunflower Seeds Future		
	MTM	Vols
May 2020	R 5 917.00	19%
Jul 2020	R 5 985.00	19%
Sep 2020	R 6 116.00	0%
Dec 2020	R 6 213.00	15%
Mar 2021		
May 2021		
Jul 2021		



The local Soya market traded lower yesterday. The May'20 Soya contract ended R77.00 down and Jul'20 Soya closed R74.00 lower. The parity move for the May'20 Soya contract for yesterday was R168.00 negative.

The local Suns market closed lower yesterday. The May'20 Suns contract closed R30.00 down and Jul'20 Suns closed R12.00 lower.



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