



Fundamental Report
27 May 2020

Financial Markets

Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	17.4211	17.3733	-0.0478	-0.27%
Euro/Rand	19.0968	19.0343	-0.0625	-0.33%
GBPound/Rand	21.4445	21.3975	-0.0470	-0.22%
AusDollar/Rand	11.5322	11.5341	0.0019	0.02%
Euro/USDollar	1.0961	1.0957	-0.0004	-0.04%
GBPound/USDollar	1.2310	1.2315	0.0005	0.04%
AusDollar/USDollar	0.6619	0.6639	0.0020	0.30%
JpyYen/USDollar	107.6700	107.5200	-0.1500	-0.14%

BDLive - The JSE tracked firmer global markets on Tuesday, as optimism over a possible coronavirus vaccine lifted sentiment, with investors looking past simmering US-China trade tension. On Monday, US biotech firm Novavax said it had started the first human study of its experimental coronavirus vaccine. The firm said it expects initial results on safety and immune responses in July.

It is one of many vaccine trials about to move to human studies around the world.

Meanwhile, countries are pushing forward with the easing of lockdown measures in the hope that a second wave of infections can be avoided while waiting for a vaccine to be widely available.

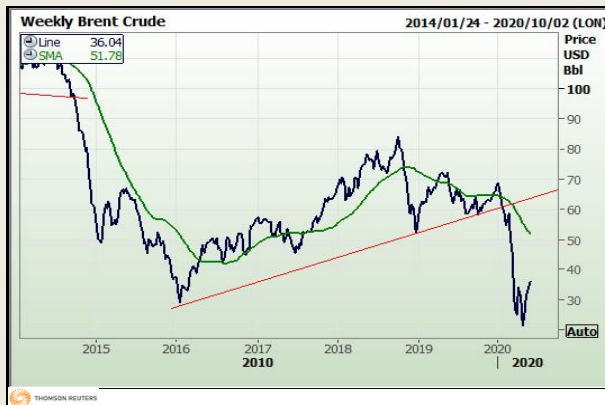
"Stock markets are gearing up for a strong start to the week as further lockdown easing and some more promising vaccine news lifted sentiment. While there's no guarantee [the vaccine] will be a success, but it's one of many companies that is making advances on the vaccine front, which is really encouraging," said Oanda senior analyst Craig Erlam.



Commodities

	Last	Value Change	% Change
Platinum	824.05	-5.63	-0.68%
Gold	1706.60	-4.65	-0.27%
Silver	16.99	-0.11	-0.65%
Copper	2.41	-0.01	-0.25%
Gasoil	298.00	1.00	0.34%
Brent Oil	36.13	-0.04	-0.11%

BDLive - Bengaluru — Gold ticked higher on Tuesday as brewing Sino-US tensions over Hong Kong lifted demand for the safe-haven metal, though easing coronavirus-induced lockdown restrictions supported equities and capped bullion's gains. Spot gold rose 0.2% to \$1,732.38 an ounce by 2.41am GMT. US gold futures were down 0.1% to \$1,733.50. "The key supportive factor for the (gold) market is rising tensions between China and the US; and if we see a further escalation, we would see another move higher in gold," said ING analyst Warren Patterson. China's foreign ministry office in Hong Kong and the city's security chief defended proposed security laws by describing some acts in mass pro-democracy protests last year as terrorism. The proposed legislation could lead to US sanctions on Hong Kong and China, and threaten the city's status as a financial hub, White House national security adviser Robert O'Brien said on Sunday. Gold is seen as a safe-haven asset during political and economic uncertainties. One of the factors keeping a cap on gold prices is the easing of lockdown restrictions, said Patterson, adding that people are getting more positive on recovery".



Financials

	Current Bid	Value Change	% Change
JSE TOP 40	46795.97	0.00	0.00%
ALSI	47040.00	0.00	0.00%
S&P 500	2955.45	36.32	1.23%
FTSE	5993.28	74.48	1.24%
CAC	4606.24	0.00	0.00%
DAX	11504.65	0.00	0.00%
Hang Seng	23384.66	-90.33	-0.39%



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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	319.00	-0.50	0.00	319.75	0.75	0.75
SEP 2020	324.00	324.00	-0.25	0.00	325.00	1.00	1.00
DEC 2020	334.00	334.00	-0.50	0.00	334.00	0.00	0.00
MAR 2021	346.00	346.50	-0.75	0.50	346.75	0.25	0.75
MAY 2021	354.00	354.00	-0.50	0.00	354.25	0.25	0.25

FarmFutures - Corn prices found some positive traction Tuesday, thanks to some technical buying partly spurred by spillover strength from other commodities (particularly soybeans). July futures added 1.5 cents to \$3.1950, with September futures up 1.75 cents to \$3.2450.

Corn basis bids were steady to firm in the central U.S. Tuesday, rising 1 to 3 cents higher across a handful of Midwestern locations today. Farmer sales have been generally slow so far this spring.

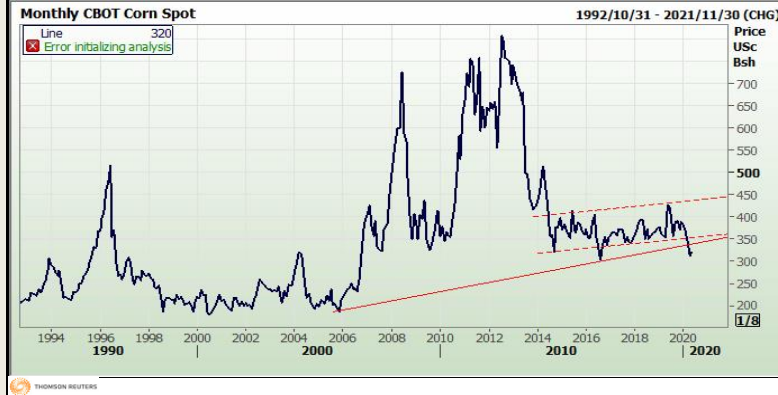
Corn export inspections slipped 8% from a week ago to land at 43.0 million bushels for the week ending May 21. Analysts were generally expecting a bigger haul, with trade guesses ranging between 39.3 million and 55.1 million bushels. Cumulative totals for the 2019/20 marketing year are still far behind last year's pace after reaching 1.077 billion bushels. Last week, Mexico (11.1 million) and Japan (10.2 million) led all destinations, as they often have this year.

Ahead of this afternoon's weekly crop progress report from USDA, analysts expect the agency to show U.S. corn plantings at 90% complete, up from 80% a week ago.

Brazil's 2019/20 second corn crop production is down 4% from earlier estimates to 2.823 billion bushels – even despite 5.2% more planted across this year – per the country's Agroconsult consultancy. Drought in some key production areas are to blame, per Agroconsult.

South Africa is preparing for a bumper corn harvest this year, estimated by analysts to reach 608.6 million bushels, which would surpass 2019's tally by 37%, if realized.

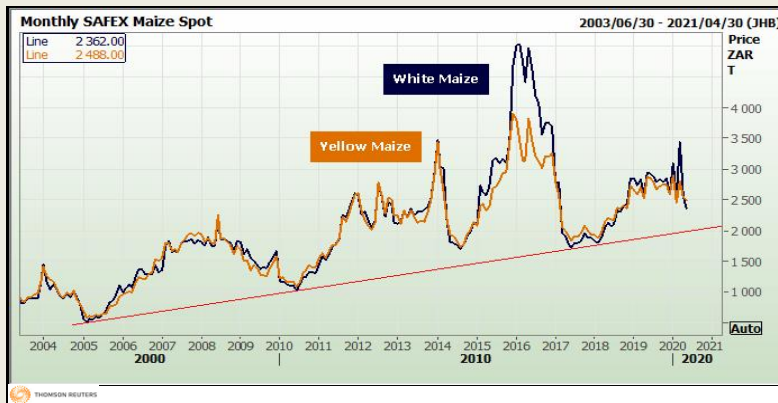
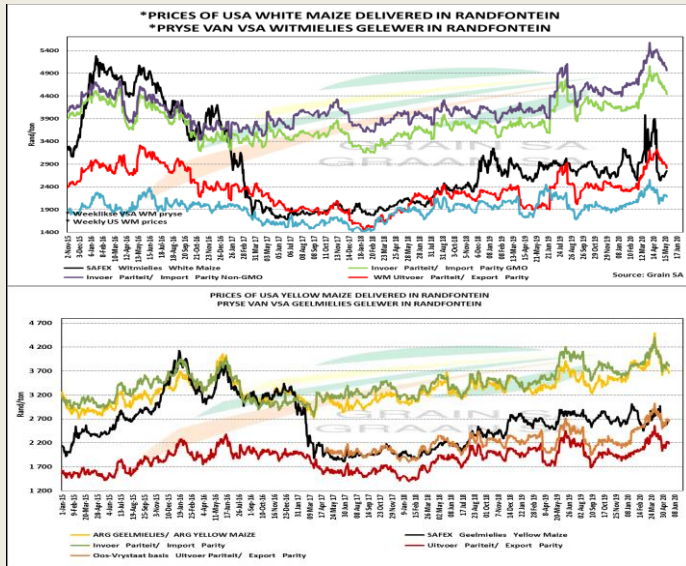
Preliminary volume estimates were for 215,333 contracts, moving moderately ahead of Friday's final count of 147,203.



South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
White Maize Future				
May 2020				
Jul 2020	R 2 374.00	24%	R -0.87	R 2 373.13
Sep 2020	R 2 423.00	20%	R 0.74	R 2 423.74
Dec 2020	R 2 512.00	21.25%	R -6.29	R 2 505.71
Mar 2021	R 2 538.00	23.5%	R -1.38	R 2 536.62
May 2021	R 2 565.00	0%	R -4.95	R 2 560.05
Jul 2021	R 2 583.00	27%		R 2 583.00
Yellow Maize Future				
May 2020				
Jul 2020	R 2 500.00	22.5%	R -0.87	R 2 499.13
Sep 2020	R 2 553.00	18%	R 0.74	R 2 553.74
Dec 2020	R 2 631.00	20%	R -6.29	R 2 624.71
Mar 2021	R 2 658.00	19.5%	R -1.38	R 2 656.62
May 2021	R 2 645.00	0%	R -4.95	R 2 640.05
Jul 2021	R 2 632.00	18%		R 2 632.00

The local Maize market traded lower yesterday. The Jul'20 WMAZ contract ended R32.00 down and Jul'20 YMAZ closed R35.00 lower. The Sep'20 WMAZ closed lower by R33.00 and Sep'20 YMAZ ended R33.00 down. The parity move for the Jul'20 Maize contract for yesterday was R2.00 negative.

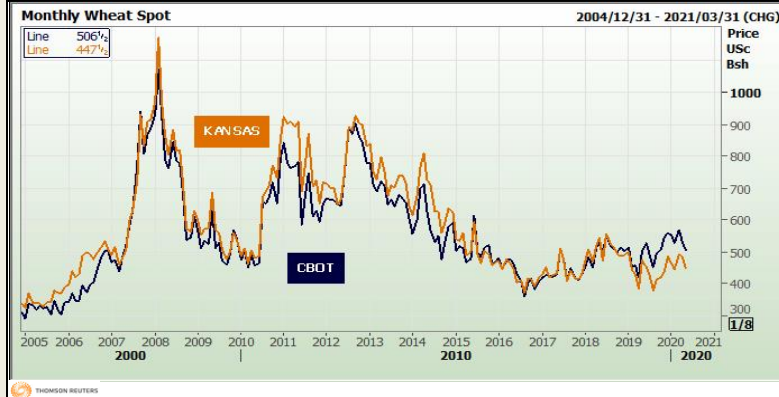


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Wheat Market

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
JUL 2020	508.00	506.75	6.25	-1.25	506.50	-0.25	-1.50		JUL 2010	443.00	447.25	4.25	4.25	447.50	0.25	4.50
SEP 2020	512.00	510.50	5.50	-1.50	510.00	-0.50	-2.00		SEP 2010	450.00	454.00	4.00	4.00	453.75	-0.25	3.75
DEC 2020	521.00	519.75	5.00	-1.25	519.25	-0.50	-1.75		DEC 2010	462.00	466.00	4.00	4.00	465.75	-0.25	3.75
MAR 2021	528.00	527.75	3.75	-0.25	527.00	-0.75	-1.00		MAR 2011	474.00	477.25	4.25	3.25	478.00	0.75	4.00
MAY 2021	531.00	531.00	3.00	0.00	529.00	-2.00	-2.00		MAY 2011	482.00	484.75	4.25	2.75	0.00	-484.75	-482.00

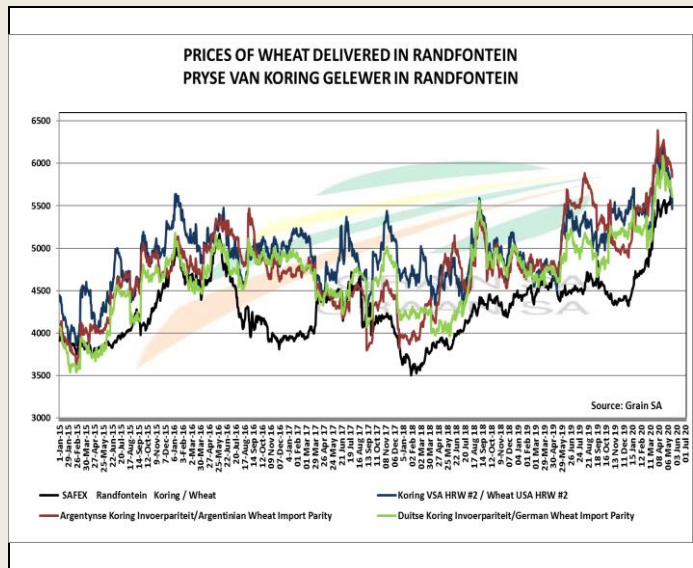


FarmFutures - Wheat prices were mixed but mostly higher on news of lower production potential for some key overseas competitors. Spillover strength from other commodities also lent support. July Chicago SRW futures dipped a penny lower to \$5.0775, while July Kansas City HRW futures gained 3.75 cents to \$4.4825 and July MGEX spring wheat futures added 4.75 cents to \$5.1875. Wheat export inspections dropped slightly week-over-week, landing at 16.8 million bushels. Analysts were generally expecting a larger haul, with trade guesses ranging between 14.7 million and 22.0 million bushels. Cumulative totals for the 2019/20 marketing year are maintaining a very slim lead over last year's pace, with 896.2 million bushels. China was the top destination last week, with 6.1 million bushels. Russia is the world's No. 1 wheat exporter. Unfavorable growing conditions also has Ukraine's wheat crop on its heels, as the country's state-run forecasting center said earlier today that production may only reach 856 million bushels this year. Ukraine is the world's No. 4 wheat exporter. Japan is looking to buy 4.1 million bushels of food-quality wheat from the United States, Canada and Australia in a regular tender that closes later this week. Of the total, 59% is expected to be sourced from the U.S.

Preliminary volume estimates were for 80,036 CBOT contracts, sliding moderately below Friday's final count of 107,857.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
Bread Milling Wheat				
May 2020				
Jul 2020	R 5 305.00	18%	R -18.50	R 5 286.50
Sep 2020	R 5 145.00	11.5%	R -21.76	R 5 123.24
Dec 2020	R 4 797.00	12.5%	R -20.32	R 4 776.68
Mar 2021	R 4 903.00	0%	R -15.66	R 4 887.34
May 2021				
Jul 2021				
Cape Wheat				
May 2020				
Jul 2020				
Sep 2020				
Dec 2020				
Mar 2021				
May 2021				
Jul 2021				



The local wheat market closed lower yesterday. The Jul'20 Wheat contract closed R45.00 down and Sep'20 Wheat closed R24.00 lower. The parity move for the Jul'20 Wheat contract for yesterday was R18.00 negative.



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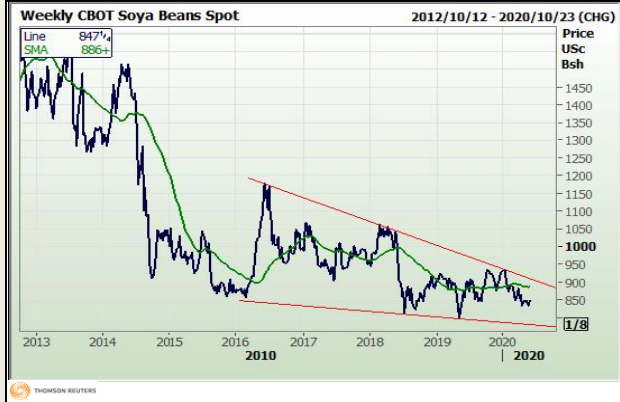
Oil Seed Market

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	839.00	847.00	0.00	8.00	902.00	55.00
AUG 2020	842.00	848.75	0.00	6.75	849.00	0.25
SEP 2020	844.00	849.75	0.00	5.75	848.50	-1.25
NOV 2020	850.00	855.00	-0.50	5.00	854.75	-0.25
JAN 2021	854.00	858.50	-0.25	4.50	858.50	0.00

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
JUL 2010	283.9	284.30
AUG 2010	286	286.50
SEP 2010	287.9	288.50
OCT 2010	289.4	289.90
DEC 2010	292.8	293.20

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
JUL 2010	27.27	27.16
AUG 2010	27.45	27.40
SEP 2010	27.62	27.57
OCT 2010	27.79	27.63
DEC 2010	28.15	28.09



FarmFutures - Soybean prices started the holiday-shortened week with a round of technical buying spurred by the announcement of a large sale to China this morning – closing the session with double-digit gains after rising steadily throughout the day. July futures climbed 14 cents to \$8.4725, with August futures up 12.25 cents to \$8.4875. Soybean basis bids were narrowly mixed at two interior river terminals Tuesday while holding steady across most other Midwestern locations today. Private exporters reported to USDA the sale of 9.5 million bushels of soybeans to China. Of the total, 23% is for delivery during the current marketing year, with the remainder for delivery in 2020/21. Private exporters also announced the sale of 216,000 metric tons of soybean meal for delivery to unknown destinations in 2019/20. But tensions between the U.S. and China remain high, with White House economic adviser Larry Kudlow telling reporters today that President Donald Trump is so “miffed” with China over its handling of the coronavirus pandemic that the trade deal between the two countries is not as important to him as it used to be. Kudlow also stated in the interview with Fox Business that “one of our key policy issues” is paying American companies located in China to relocate back to the states. For the month of April, China showed a clear preference for Brazilian soybeans, snapping up more than 218 million bushels. China chipped in a disappointing 184,000 bushels last week, with Mexico (4.7 million) emerging as the top destination. Preliminary volume estimates were for 190,837 contracts, firming slightly above Friday’s final count of 175,681.

South African Futures Exchange

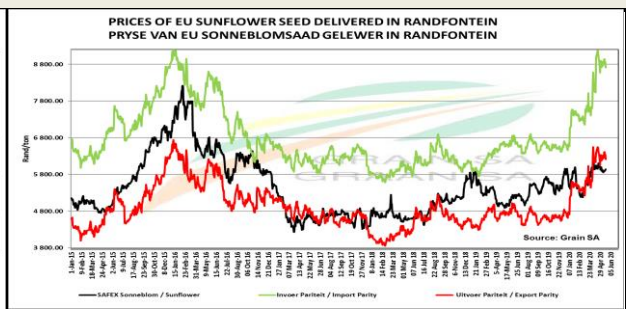
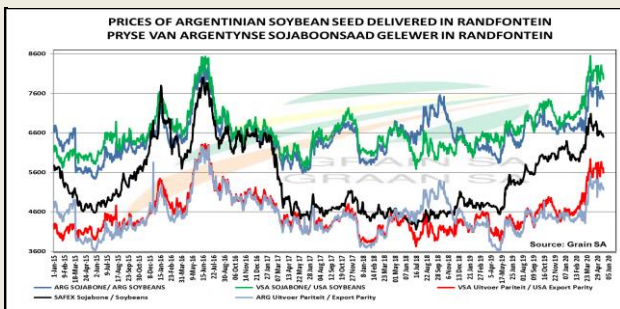
Soybean Future			
	MTM	Vols	Market Price
May 2020			
Jul 2020	R 6 257.00	20%	R 387.43
Sep 2020	R 6 332.00	14.75%	R 13.90
Dec 2020	R 6 411.00	15%	R 6 411.00
Mar 2021			
May 2021	R 6 055.00	0%	R 6 055.00
Jul 2021			

Sunflower Seeds Future		
	MTM	Vols
May 2020		
Jul 2020	R 5 754.00	19%
Sep 2020	R 5 885.00	0%
Dec 2020	R 5 994.00	15%
Mar 2021		
May 2021		
Jul 2021		



The local Soya market traded higher yesterday. The Jul'20 Soya contract ended R16.00 up and Sep'20 Soya closed R7.00 higher. The parity move for the Jul'20 Soya contract for yesterday was R38.00 positive.

The local Suns market closed lower yesterday. The Jul'20 Suns contract closed R119.00 down and Sep'20 Suns closed R112.00 lower.



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