



# **Fundamental Report**

## **29 June 2020**

## Financial Markets

### Currencies

| Currency           | Bid - Yesterday 12pm | Current Bid | Value Change | % Change |
|--------------------|----------------------|-------------|--------------|----------|
| USDollar/Rand      | 17.2142              | 17.2992     | 0.0850       | 0.49%    |
| Euro/Rand          | 19.3080              | 19.4453     | 0.1373       | 0.71%    |
| GBPound/Rand       | 21.3193              | 21.3928     | 0.0735       | 0.34%    |
| AusDollar/Rand     | 11.8451              | 11.9018     | 0.0567       | 0.48%    |
| Euro/USDollar      | 1.1220               | 1.1239      | 0.0019       | 0.17%    |
| GBPound/USDollar   | 1.2389               | 1.2367      | -0.0022      | -0.18%   |
| AusDollar/USDollar | 0.6881               | 0.6880      | -0.0001      | -0.01%   |
| JpyYen/USDollar    | 106.8800             | 107.1500    | 0.2700       | 0.25%    |

BDLive - The rand extended losses on Friday after Fitch Ratings said SA is unlikely to achieve its plans to stabilise debt levels within four years. "This reflects persistent challenges in reducing expenditure, boosting growth and insulating public finances from struggling state-owned enterprises, as well as reflecting the impact of the coronavirus pandemic, which will drive a sharp rise in debt to GDP this year," Fitch said in a statement on Friday.

The Fitch report comes after finance minister Tito Mboweni said in the supplementary budget on Wednesday that the government plans to achieve a primary surplus by 2024. At 5.30pm, the rand had weakened the most in two days, down 1.03% to R17.3210/\$, 1.01% to R19.4191/€ and 0.35% to R21.3529/£. The euro was flat \$1.1211. The yield on the R2030 government bond had risen 1.5 basis points to 9.185%. Bond yields move inversely to prices.

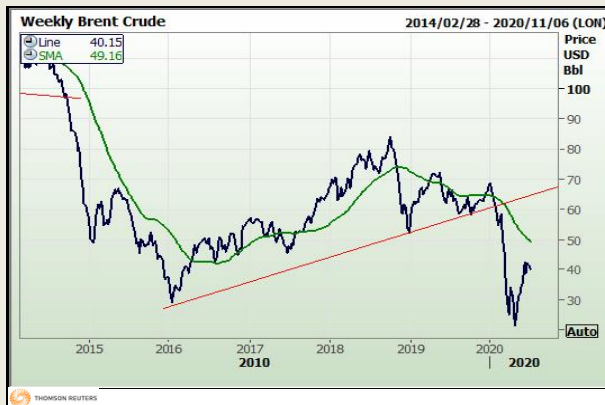
"The rand remains trapped in an unfair battle against domestic and external risks with the longer-term outlook pointing to further losses," said FXTM senior research analyst Lukman Otunuga.



### Commodities

|           | Last    | Value Change | % Change |
|-----------|---------|--------------|----------|
| Platinum  | 803.53  | 12.55        | 1.56%    |
| Gold      | 1771.77 | 1.15         | 0.06%    |
| Silver    | 17.83   | 0.08         | 0.42%    |
| Copper    | 2.70    | 0.02         | 0.67%    |
| Gasoil    | 337.00  | -2.00        | -0.59%   |
| Brent Oil | 40.16   | -0.86        | -2.14%   |

BDLive - Gold prices were headed for their third consecutive weekly gain on worries about rising global cases of the novel coronavirus, though prices see-sawed on Friday after a firm dollar and a gain in equities countered safe-haven demand. Spot gold was steady at \$1,760.73/oz at 3.39am GMT. Bullion has risen more than 1% so far this week, with prices scaling a near eight-year high of \$1,779.06/oz on Wednesday. US gold futures rose 0.2% to \$1,770.90/oz. "The amount of money pumped in by governments definitely supports gold as a safe haven with this Covid-19 situation still around," said Brian Lan, MD at Singapore dealer GoldSilver Central, amid low interest rates globally. But gold is seeing some profit-taking after almost reaching the \$1,780/oz mark due to the overall strength of the dollar and stocks, he said. The dollar has pared a large part of this week's losses. Asian stock markets ground higher, but are set to end the week little changed as surging Covid-19 infections offset encouraging economic data. Cases have been rising across the US, while more than 9.51-million people have been infected globally, according to a Reuters tally.



### Financials

|            | Current Bid | Value Change | % Change |
|------------|-------------|--------------|----------|
| JSE TOP 40 | 49477.85    | 0.00         | 0.00%    |
| ALSI       | 49985.00    | 0.00         | 0.00%    |
| S&P 500    | 3083.76     | -74.71       | -2.42%   |
| FTSE       | 6147.14     | 12.16        | 0.20%    |
| CAC        | 4909.64     | 0.00         | 0.00%    |
| DAX        | 12089.39    | 0.00         | 0.00%    |
| Hang Seng  | 24549.99    | -275.40      | -1.12%   |



DISCLAIMER: This report has been prepared by GroCapital Financial Services Pty Ltd, a wholly owned subsidiary of AFGRI Operations Limited is provided to you for information purposes only. GROCAPITAL AND AFGRI hereby certify that the views expressed in this report were obtained from sources which GROCAPITAL AND AFGRI consider to be reliable. GROCAPITAL AND AFGRI do not make any representations or give any guarantees or warranties, expressed or implied, as to the correctness, accuracy or completeness of the report. Neither GROCAPITAL AND AFGRI, nor any of their respective officers, directors, partners or employees, shall assume any liability for any losses arising from errors or omissions in the opinions, forecasts or information, irrespective of whether there has been any negligence by GroCapital and AFGRI, their affiliate, or their respective officers, directors, partners or employees, regardless of whether such damages were foreseen or unforeseen. The information contained in this report is confidential and may be subject to legal privilege. This report is not intended to and should not be taken to create any legal relations or contractual relations.

## 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         | 317.00             | -0.50               | -2.00                         | 318.75            | 1.75                               | -0.25                      |
| SEP 2020 | 322.00         | 319.25             | -0.25               | -2.75                         | 320.25            | 1.00                               | -1.75                      |
| DEC 2020 | 330.00         | 325.25             | -0.50               | -4.75                         | 326.25            | 1.00                               | -3.75                      |
| MAR 2021 | 342.00         | 336.75             | -0.75               | -5.25                         | 337.50            | 0.75                               | -4.50                      |
| MAY 2021 | 350.00         | 344.50             | -0.50               | -5.50                         | 345.25            | 0.75                               | -4.75                      |

FarmFutures - Corn prices continued to erode Friday on favorable weather forecasts that suggest near-record or record production is possible this fall. The ensuing technical selling pushed prices down another 0.3% to 0.7%, with July futures dropping a penny to \$3.1625 and September futures losing 2.25 cents to \$3.1825.

Will corn prices keep falling, or are they near a seasonal bottom. Unfortunately, "the problem, as we all know, is prices can and do move much lower in years where weather is conducive to big yields," notes Matt Bennett, commodity analyst with AgMarket.Net.

Corn basis bids were mostly steady across the central U.S. Friday but did tick a penny higher at an Iowa river terminal today. A moderate decline in futures prices left farmer sales thin again this week. Bennett looks at a few fundamentals currently in play in the latest Ag Marketing IQ blog – click here to learn more.

Farmers reporting to Feedback From The Field say 68% of their corn acres are in good-to-excellent condition, with 62.5% of their soybean acres rated in good-to-excellent condition – putting both crops beneath the latest USDA quality estimates. Click here to see what farmers are saying in your area, view our interactive map and share your latest field conditions. Naomi Blohm expects plenty of price volatility this coming week, noting "July option expiration, first notice day for July futures, the quarterly stocks report, the planted acreage report, month end, quarter end, and a shortened holiday trading week." Blohm walks through a few options for farmers in the latest Ag Marketing IQ blog – click here to learn more.

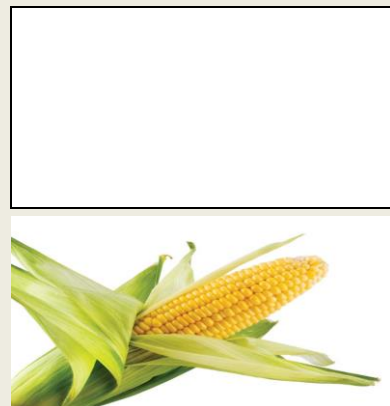
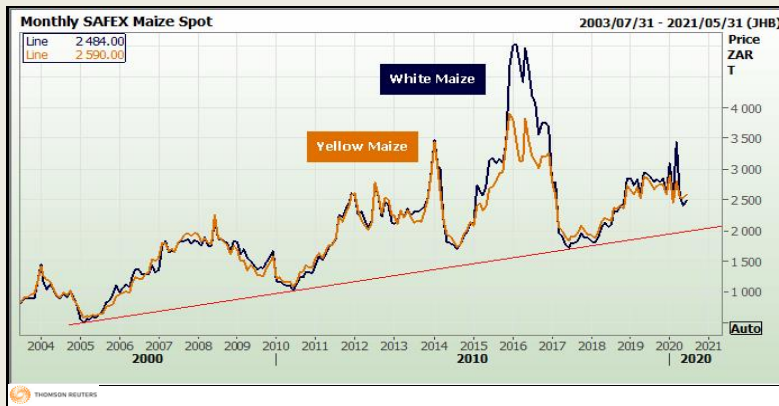
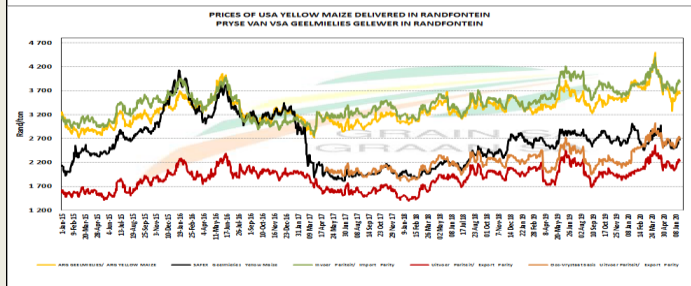
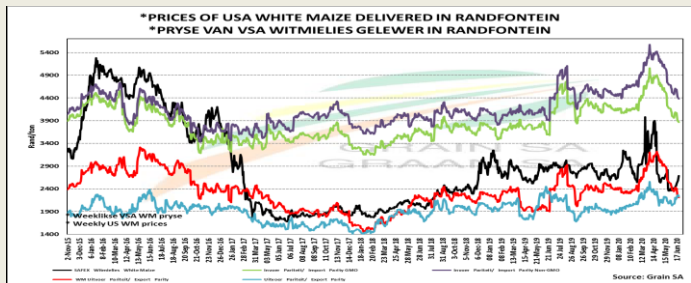
Preliminary volume estimates were for 627,992 contracts, sliding slightly below Thursday's final count of 645,142.



### South African Futures Exchange

|                            | MTM        | Volatility | Parity Change | Parity Price |
|----------------------------|------------|------------|---------------|--------------|
| <b>White Maize Future</b>  |            |            |               |              |
| May 2020                   |            |            |               |              |
| Jul 2020                   | R 2 484.00 | 21.75%     | R 8.97        | R 2 492.97   |
| Sep 2020                   | R 2 527.00 | 20%        | R -1.14       | R 2 525.86   |
| Dec 2020                   | R 2 611.00 | 23.5%      | R -14.50      | R 2 596.50   |
| Mar 2021                   | R 2 638.00 | 25%        | R -19.20      | R 2 618.80   |
| May 2021                   | R 2 672.00 | 0%         | R -20.64      | R 2 651.36   |
| Jul 2021                   | R 2 640.00 | 25%        |               | R 2 640.00   |
| <b>Yellow Maize Future</b> |            |            |               |              |
| May 2020                   |            |            |               |              |
| Jul 2020                   | R 2 590.00 | 22%        | R 8.97        | R 2 598.97   |
| Sep 2020                   | R 2 638.00 | 18%        | R -1.14       | R 2 636.86   |
| Dec 2020                   | R 2 720.00 | 20%        | R -14.50      | R 2 705.50   |
| Mar 2021                   | R 2 740.00 | 19.5%      | R -19.20      | R 2 720.80   |
| May 2021                   | R 2 701.00 | 0%         | R -20.64      | R 2 680.36   |
| Jul 2021                   | R 2 672.00 | 18%        |               | R 2 672.00   |

The local Maize market traded lower yesterday. The Jul'20 WMAZ contract ended R25.00 down and Jul'20 YMAZ closed R33.00 lower. The Sep'20 WMAZ closed lower by R27.00 and Sep'20 YMAZ ended R36.00 down. The parity move for the Jul'20 Maize contract for yesterday was R5.00 positive.



DISCLAIMER: This report has been prepared by GroCapital Financial Services Pty Ltd, a wholly owned subsidiary of AFGRI Operations Limited is provided to you for information purposes only. GROCAPITAL AND AFGRI hereby certify that the views expressed in this report were obtained from sources which GROCAPITAL AND AFGRI consider to be reliable. GROCAPITAL AND AFGRI do not make any representations or give any guarantees or warranties, expressed or implied, as to the correctness, accuracy or completeness of the report. Neither GROCAPITAL AND AFGRI, nor any affiliate, nor any of their respective officers, directors, partners or employees, shall assume any liability for any losses arising from errors or omissions in the opinions, forecasts or information, irrespective of whether there has been any negligence by GroCapital and AFGRI, their affiliate, or their respective officers, directors, partners or employees, regardless of whether such damages were foreseen or unforeseen. The information contained in this report is confidential and may be subject to legal privilege. This report is not intended to not should it be taken to create any legal relations or contractual relations.

## 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   | 487.00         | 474.00             | 6.25                | -13.00                        | 475.25            | 1.25                               | -11.75                     | JUL 2010   | 430.00         | 421.25             | 4.25                | -8.75                         | 421.00            | -0.25                              | -9.00                      |
| SEP 2020   | 488.00         | 475.75             | 5.50                | -12.25                        | 477.00            | 1.25                               | -11.00                     | SEP 2010   | 438.00         | 427.75             | 4.00                | -10.25                        | 427.75            | 0.00                               | -10.25                     |
| DEC 2020   | 495.00         | 484.00             | 5.00                | -11.00                        | 484.75            | 0.75                               | -10.25                     | DEC 2010   | 451.00         | 441.00             | 4.00                | -10.00                        | 440.75            | -0.25                              | -10.25                     |
| MAR 2021   | 504.00         | 492.75             | 3.75                | -11.25                        | 493.50            | 0.75                               | -10.50                     | MAR 2011   | 464.00         | 454.25             | 4.25                | -9.75                         | 454.00            | -0.25                              | -10.00                     |
| MAY 2021   | 509.00         | 498.75             | 3.00                | -10.25                        | 529.00            | 30.25                              | 20.00                      | MAY 2011   | 470.00         | 462.00             | 4.25                | -8.00                         | 461.50            | -0.50                              | -8.50                      |



FarmFutures - Wheat prices continued their downward slide Friday, with some contracts losing more than 2.5% today after harvest pressure and large global stocks spurred another round of technical selling. July Chicago SRW futures tumbled 13 cents to \$4.7375, July Kansas City HRW futures lost 9.75 cents to \$4.20, and July MGEX spring wheat futures dropped 11 cents to \$5.00.

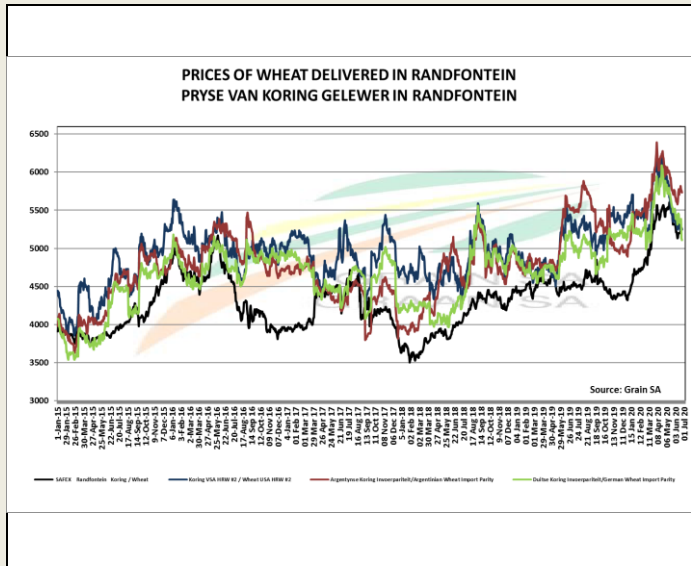
The Ukrainian Grain Association says the country's 2019/20 wheat exports topped 753 million bushels following a record grain and oilseeds harvest last fall. UGA's president estimates that Ukraine will export roughly 63% of all the grain it produced this past year.

French consultancy FranceAgriMer reports that 56% of the country's soft wheat crop is in good-to-excellent condition through June 22, holding steady now for a fourth consecutive week. Conditions have stabilized after drought conditions earlier this spring have given way to recent rains and more moderate temperatures. Harvest will kick off in earnest by the end of June.

Preliminary volume estimates were for 190,856 CBOT contracts, moving slightly ahead of Thursday's final count of 179,064.

### South African Futures Exchange

|                            | MTM        | Volatility | Parity Change | Parity Price |
|----------------------------|------------|------------|---------------|--------------|
| <b>Bread Milling Wheat</b> |            |            |               |              |
| May 2020                   |            |            |               |              |
| Jul 2020                   | R 5 320.00 | 18%        | R -59.48      | R 5 260.52   |
| Sep 2020                   | R 5 042.00 | 11.5%      | R -54.68      | R 4 987.32   |
| Dec 2020                   | R 4 847.00 | 12.5%      | R -49.69      | R 4 797.31   |
| Mar 2021                   | R 4 944.00 | 0%         | R -51.00      | R 4 893.00   |
| May 2021                   |            |            |               |              |
| Jul 2021                   |            |            |               |              |
| <b>Cape Wheat</b>          |            |            |               |              |
| May 2020                   |            |            |               |              |
| Jul 2020                   |            |            |               |              |
| Sep 2020                   |            |            |               |              |
| Dec 2020                   |            |            |               |              |
| Mar 2021                   |            |            |               |              |
| May 2021                   |            |            |               |              |
| Jul 2021                   |            |            |               |              |



The local Weat market closed mixed yesterday. The Jul'20 Weat contract closed R91.00 up while Sep'20 Weat closed R18.00 lower. The parity move for the Jul'20 Weat contract for yesterday was R58.00 negative.



DISCLAIMER: This report has been prepared by GroCapital Financial Services Pty Ltd, a wholly owned subsidiary of AFGRI Operations Limitedis provided to you for information purposes only.GROCAPITAL AND AFGRI hereby certify that the views expressed in this report were obtained from sources which GROCAPITAL AND AFGRI consider to be reliable.GROCAPITAL AND AFGRI do not make any representations or give any guarantees or warranties, expressed or implied, as to the correctness, accuracy or completeness of the report.Neither GROCAPITAL AND AFGRI, nor any affiliate, nor any of their respective officers, directors, partners or employees, shall assume any liability for any losses arising from errors or omissions in the opinions, forecasts or information, irrespective of whether there has been any negligence by GroCapital and AFGRI, their affiliate, or their respective officers, directors, partners or employees, regardless of whether such damages were foreseen or unforeseen. The information contained in this report is confidential and may be subject to legal privilege. This report is not intended to not should it be taken to create any legal relations or contractual relations.

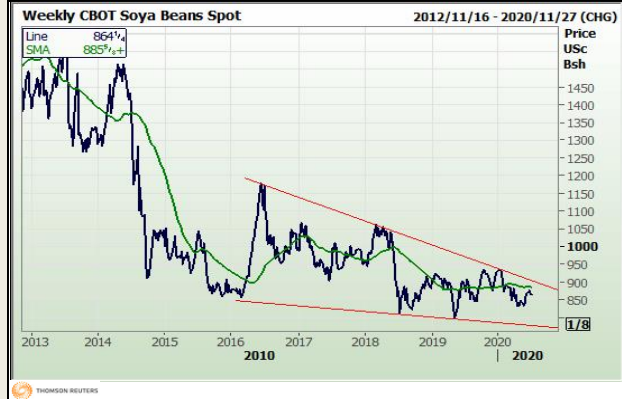
## Oil Seed Market

### 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          | 870.00         | 865.00             | 0.00                | -5.00                         | 902.00            | 37.00                              |
| AUG 2020          | 868.00         | 860.00             | 0.00                | -8.00                         | 859.75            | -0.25                              |
| SEP 2020          | 865.00         | 857.25             | 0.00                | -7.75                         | 856.75            | -0.50                              |
| NOV 2020          | 869.00         | 861.25             | -0.50               | -7.75                         | 860.75            | -0.50                              |
| JAN 2021          | 871.00         | 864.00             | -0.25               | -7.00                         | 863.50            | -0.50                              |

| CBOT Soybean Meal |                    |                   |
|-------------------|--------------------|-------------------|
| Month             | Main Session Close | Current Overnight |
| JUL 2010          | 282.1              | 282.10            |
| AUG 2010          | 285.3              | 285.40            |
| SEP 2010          | 287                | 287.20            |
| OCT 2010          | 288.2              | 288.50            |
| DEC 2010          | 290.6              | 290.90            |

| CBOT Soybean Oil |                    |                   |
|------------------|--------------------|-------------------|
| Month            | Main Session Close | Current Overnight |
| JUL 2010         | 27.2               | 27.09             |
| AUG 2010         | 27.41              | 27.30             |
| SEP 2010         | 27.58              | 27.47             |
| OCT 2010         | 27.75              | 27.67             |
| DEC 2010         | 28.08              | 27.97             |



FarmFutures - Soybean prices faded again today as traders largely ignored a large sale to China reported this morning. Expectations for a near-record or record production this fall remain relatively high as more favorable weather is expected next week. July futures fell 3.25 cents to \$8.66, while August futures dropped 6 cents to \$8.6050. For the week, July futures were down nearly 1.1%.

Soybean basis bids held steady across most Midwestern locations Friday but did spill a penny lower at an Iowa river terminal today. Private exporters reported two large grain sales to USDA earlier this morning. The first was for 4.9 million bushels of soybeans for delivery during the 2020/21 marketing year, which begins September 1. The second was for 8 million bushels of sorghum for delivery to unknown destinations. Of the total, 5.3 million is for delivery during the current marketing year, with the remaining 2.7 million for delivery in 2020/21. China purchased 325.5 million bushels of soybeans from Brazil in May – the highest such monthly total in two years and up 41% compared to May 2019. In contrast, China purchases of U.S. soybeans last month only reached 18.1 million bushels, falling to the lowest monthly total since January 2019.

Are you caught up with the latest legal disputes affecting dicamba, Roundup, the EPA and more? Be sure to browse "7 ag stories you might have missed this week."

Preliminary volume estimates were for 248,087 contracts, trending slightly above Thursday's final count of 234,625.

### South African Futures Exchange

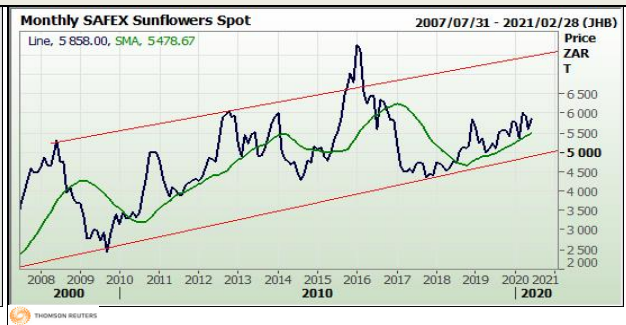
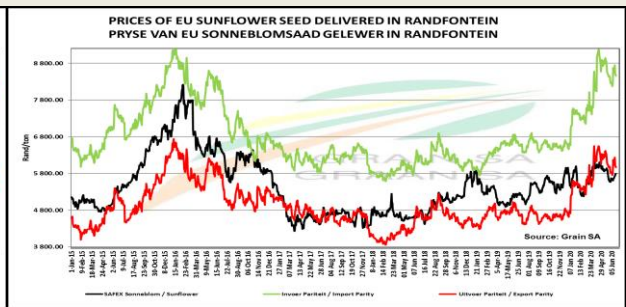
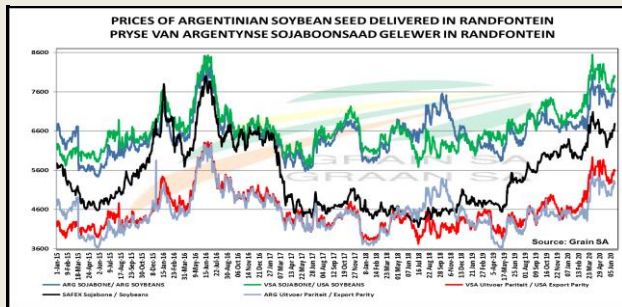
| Soybean Future |            |      |               |              |
|----------------|------------|------|---------------|--------------|
|                | MTM        | Vols | Parity Change | Market Price |
| May 2020       |            |      |               |              |
| Jul 2020       | R 6 844.00 | 19%  | R 230.58      | R 7 074.58   |
| Sep 2020       | R 6 900.00 | 15%  | R -25.42      | R 6 874.58   |
| Dec 2020       | R 6 938.00 | 15%  |               | R 6 938.00   |
| Mar 2021       | R 6 636.00 | 14%  |               | R 6 636.00   |
| May 2021       | R 6 299.00 | 17%  |               | R 6 299.00   |
| Jul 2021       |            |      |               |              |

| Sunflower Seeds Future |            |       |
|------------------------|------------|-------|
|                        | MTM        | Vols  |
| May 2020               |            |       |
| Jul 2020               | R 5 858.00 | 19%   |
| Sep 2020               | R 5 960.00 | 11.5% |
| Dec 2020               | R 6 091.00 | 15%   |
| Mar 2021               | R 6 081.00 | 0%    |
| May 2021               | R 5 836.00 | 0%    |
| Jul 2021               |            |       |



The local Soya market traded higher yesterday. The Jul'20 Soya contract ended R34.00 up and Sep'20 Soya closed R21.00 higher. The parity move for the Jul'20 Soya contract for yesterday was R4.00 negative.

The local Suns market closed mixed yesterday. The Jul'20 Suns contract closed R12.00 up while Sep'20 Suns closed R6.00 lower.



**DISCLAIMER:** This report has been prepared by GroCapital Financial Services Pty Ltd, a wholly owned subsidiary of AFGRI Operations Limitedis provided to you for information purposes only.GROCAPITAL AND AFGRI hereby certify that the views expressed in this report were obtained from sources which GROCAPITAL AND AFGRI consider to be reliable.GROCAPITAL AND AFGRI do not make any representations or give any guarantees or warranties, expressed or implied, as to the correctness, accuracy or completeness of the report.Neither GROCAPITAL AND AFGRI, nor any affiliate, nor any of their respective officers, directors, partners or employees, shall assume any liability for any losses arising from errors or omissions in the opinions, forecasts or information, irrespective of whether there has been any negligence by GroCapital and AFGRI, their affiliate, or their respective officers, directors, partners or employees, regardless of whether such damages were foreseen or unforeseen. The information contained in this report is confidential and may be subject to legal privilege. This report is not intended to not should it be taken to create any legal relations or contractual relations.