



Fundamental Report
03 June 2020

Financial Markets

Currencies

| Currency | Bid - Yesterday 12pm | Current Bid | Value Change | % Change |
|--------------------|----------------------|-------------|--------------|----------|
| USDollar/Rand | 17.2684 | 17.0820 | -0.1864 | -1.08% |
| Euro/Rand | 19.2931 | 19.1318 | -0.1613 | -0.84% |
| GBPound/Rand | 21.6860 | 21.4958 | -0.1902 | -0.88% |
| AusDollar/Rand | 11.8496 | 11.8430 | -0.0066 | -0.06% |
| Euro/USDollar | 1.1175 | 1.1199 | 0.0024 | 0.21% |
| GBPound/USDollar | 1.2561 | 1.2580 | 0.0019 | 0.15% |
| AusDollar/USDollar | 0.6862 | 0.6933 | 0.0071 | 1.03% |
| JpyYen/USDollar | 107.7300 | 108.6100 | 0.8800 | 0.82% |

BDLive - The JSE tracked firmer global markets on Tuesday, as optimism over the reopening of economies across the world lifted investor sentiment, despite civil unrest in the US. Investors are now turning to the prospects of a global recovery after the coronavirus, with some parts of Europe, the US and SA pushing on with reopening their economies. The depth of the global economic damage the virus has caused has yet to be determined, while geopolitical tension remains a constant threat.

"Global recovery trade remains in full swing, powered by the end of national lockdowns across the world. Momentum remains strong, and global equity markets look set to stay forward-looking," Oanda senior market analyst Edward Moya said.

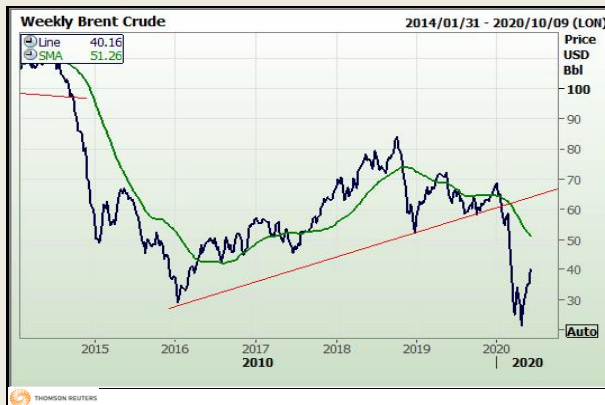
"The US riots, disturbing as they are, are being discounted in the greater economic picture. Rightly so, without sounding insensitive, as they are unlikely to derail the expected US rebound. Whether the lack of social-distancing by protesters, police and soldiers comes back to bite them is a story for another day," he said.



Commodities

| | Last | Value Change | % Change |
|-----------|---------|--------------|----------|
| Platinum | 837.01 | -1.87 | -0.22% |
| Gold | 1727.41 | 0.36 | 0.02% |
| Silver | 17.84 | -0.25 | -1.39% |
| Copper | 2.48 | -0.01 | -0.28% |
| Gasoil | 318.50 | 4.50 | 1.41% |
| Brent Oil | 40.16 | 0.59 | 1.47% |

BDLive - Bengaluru — Gold prices on Tuesday held on to last session's more than one-week high on concerns over US-China relations and as violent protests in the US stoked fears of a resurgence in virus cases, while optimism on reopening of economies checked their rise. Spot gold was flat at \$1,739.48 an ounce at 3.44am GMT. US gold futures rose 0.1% to \$1,752.10. "It appears that there are factors both supporting, and limiting appreciation in the gold price," said National Australia Bank economist John Sharma. The US is likely to revoke Hong Kong's special status, and China would retaliate by limiting purchase of US products, putting the Sino-US trade deal in doubt, and providing support to gold; while the easing of lockdowns is limiting gains, Sharma said. In a sign that the worst of the economic downturn from the coronavirus pandemic might be over, US manufacturing activity crawled up slightly from an 11-year low, and China's factory activity unexpectedly returned to growth in May.



Financials

| | Current Bid | Value Change | % Change |
|------------|-------------|--------------|----------|
| JSE TOP 40 | 48318.29 | 0.00 | 0.00% |
| ALSI | 48462.00 | 0.00 | 0.00% |
| S&P 500 | 3055.73 | 25.09 | 0.82% |
| FTSE | 6166.42 | 53.72 | 0.87% |
| CAC | 4858.97 | 0.00 | 0.00% |
| DAX | 12021.28 | 0.00 | 0.00% |
| Hang Seng | 23995.94 | 284.89 | 1.19% |



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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 | 323.00 | 324.25 | -0.50 | 1.25 | 322.50 | -1.75 | -0.50 |
| SEP 2020 | 328.00 | 328.50 | -0.25 | 0.50 | 327.25 | -1.25 | -0.75 |
| DEC 2020 | 336.00 | 338.00 | -0.50 | 2.00 | 337.00 | -1.00 | 1.00 |
| MAR 2021 | 348.00 | 350.25 | -0.75 | 2.25 | 349.50 | -0.75 | 1.50 |
| MAY 2021 | 355.00 | 357.00 | -0.50 | 2.00 | 356.50 | -0.50 | 1.50 |

FarmFutures - Corn prices followed the energy complex higher this afternoon. Prices were also supported by easing planting pace as spring fieldwork approaches completion. July corn futures were up \$0.0075/bushel to \$3.24. September futures rose \$0.0125/bushel to \$3.285.

Cash corn prices reported this morning dropped \$0.02/bushel to \$0.07 below July futures prices at a Blair, Nebraska processing facility. Rising ethanol demand sent basis bids at an Annawan, Illinois ethanol facility up \$0.02/bushel to \$0.05 below July futures prices. Little other price action was reported as of press time.

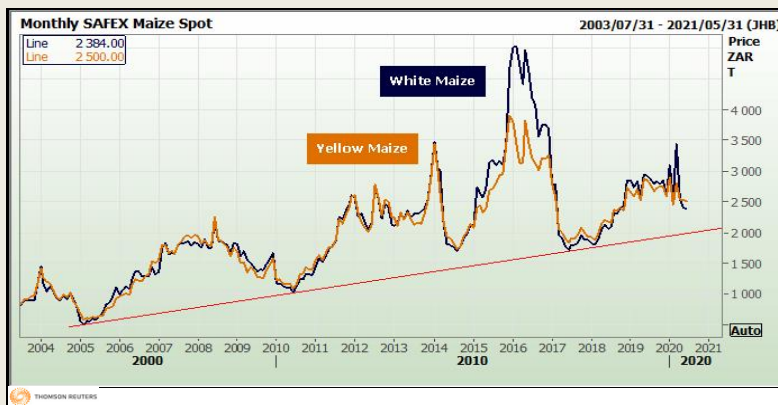
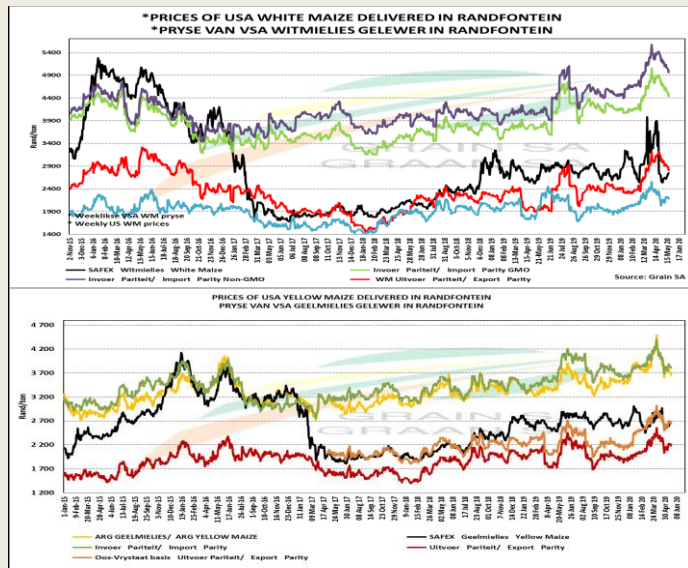


After enforcing restrictions on ethanol producers after finding impurities in alcohol-based hand sanitizers at the pandemic's onset, the Trump administration eased its stance to allow higher production of the topical cleansing agent. As lockdown measures destroyed fuel demand in Mid-March, many Midwestern ethanol plants attempted to pivot to hand sanitizer production, which has been in short supply since the pandemic's onset. Corn planting progress blazed past last year's speeds as improved weather conditions and a well-stocked supply chain allowed farmers to plant at a rapid pace. But does planting pace dictate harvest potential? Could it mean more than 97 million corn acres planted this year? There are other technical and meteorological considerations to give to weekly Crop Progress reports, Bryce Knorr writes. Check out the latest Ag Marketing IQ column for more insights about how to predict production outcomes at this point in the growing season.

South African Futures Exchange

| | MTM | Volatility | Parity Change | Parity Price |
|----------------------------|------------|------------|---------------|--------------|
| White Maize Future | | | | |
| May 2020 | | | | |
| Jul 2020 | R 2 394.00 | 21.75% | R -27.06 | R 2 366.94 |
| Sep 2020 | R 2 443.00 | 20% | R -29.11 | R 2 413.89 |
| Dec 2020 | R 2 530.00 | 22.5% | R -17.93 | R 2 512.07 |
| Mar 2021 | R 2 556.00 | 24% | R -15.45 | R 2 540.55 |
| May 2021 | R 2 572.00 | 0% | R -15.96 | R 2 556.04 |
| Jul 2021 | R 2 587.00 | 27% | | R 2 587.00 |
| Yellow Maize Future | | | | |
| May 2020 | | | | |
| Jul 2020 | R 2 513.00 | 22.5% | R -27.06 | R 2 485.94 |
| Sep 2020 | R 2 560.00 | 18% | R -29.11 | R 2 530.89 |
| Dec 2020 | R 2 642.00 | 20% | R -17.93 | R 2 624.07 |
| Mar 2021 | R 2 669.00 | 19.5% | R -15.45 | R 2 653.55 |
| May 2021 | R 2 638.00 | 0% | R -15.96 | R 2 622.04 |
| Jul 2021 | R 2 631.00 | 18% | | R 2 631.00 |

The local Maize market traded lower yesterday. The Jul'20 WMAZ contract ended R29.00 down and Jul'20 YMAZ closed R36.00 lower. The Sep'20 WMAZ closed lower by R27.00 and Sep'20 YMAZ ended R31.00 down. The parity move for the Jul'20 Maize contract for yesterday was R23.00 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 | 513.00 | 508.00 | 6.25 | -5.00 | 509.00 | 1.00 | -4.00 | JUL 2010 | 455.00 | 450.75 | 4.25 | -4.25 | 452.25 | 1.50 | -2.75 |
| SEP 2020 | 516.00 | 512.25 | 5.50 | -3.75 | 513.50 | 1.25 | -2.50 | SEP 2010 | 462.00 | 458.00 | 4.00 | -4.00 | 459.25 | 1.25 | -2.75 |
| DEC 2020 | 526.00 | 523.00 | 5.00 | -3.00 | 524.50 | 1.50 | -1.50 | DEC 2010 | 475.00 | 470.50 | 4.00 | -4.50 | 472.25 | 1.75 | -2.75 |
| MAR 2021 | 535.00 | 532.50 | 3.75 | -2.50 | 534.25 | 1.75 | -0.75 | MAR 2011 | 486.00 | 482.50 | 4.25 | -3.50 | 483.75 | 1.25 | -2.25 |
| MAY 2021 | 538.00 | 536.25 | 3.00 | -1.75 | 529.00 | -7.25 | -9.00 | MAY 2011 | 493.00 | 490.00 | 4.25 | -3.00 | 0.00 | -490.00 | -493.00 |

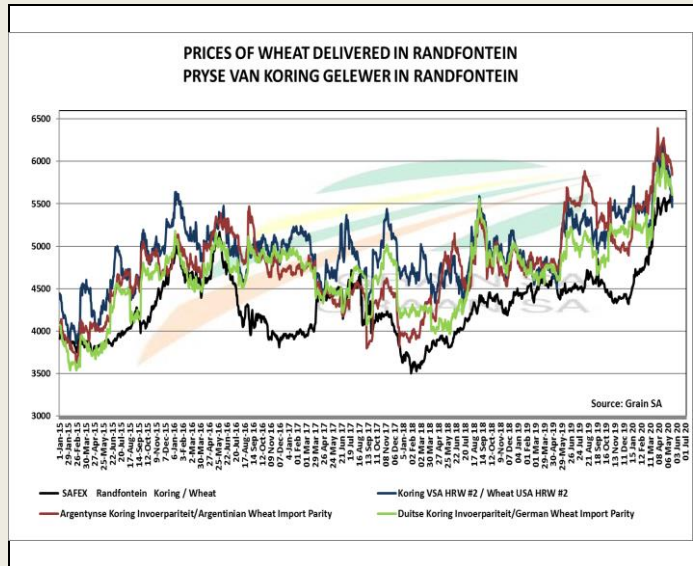


FarmFutures - Improving weather forecasts in the Black Sea and Europe dragged futures prices lower for the wheat complex today. Harvest progress in the Southern Plains was reported as 3% complete as of Sunday, 1% higher than the five-year average. The quick pace weighed heavily on hard red winter wheat futures in Kansas City. The ICE Dollar Index was 0.10% lower, providing a cap on losses in the wheat complex. Spot basis bids for hard red winter wheat in Kansas was unchanged this morning. Farmer sales remain slow as harvest begins across Texas and Oklahoma. For more details on harvest progress, check out Farm Futures' coverage of Weekly Crop Progress reports by clicking here. Ukraine wheat exports are expected to drop 37.6% to 547.4 million bushels in 2020/21 following harvest projections that peg the new crop at 852.4 million bushels. Ukrainian wheat exports are expected to reach 753.2 million bushels this year, despite a 742.1 million-bushel export quota enacted at the onset of the coronavirus pandemic to stabilize domestic food prices.

Despite slow U.S. wheat exports during the pandemic, European soft wheat exports have increased 63% since a year ago to 1.15 billion bushels for the current marketing year to date. The strong dollar continues to dissuade global customers from purchasing U.S. wheat in favor of the cheaper European and Black Sea region product.

South African Futures Exchange

| | MTM | Volatility | Parity Change | Parity Price |
|----------------------------|------------|------------|---------------|--------------|
| Bread Milling Wheat | | | | |
| May 2020 | | | | |
| Jul 2020 | R 5 287.00 | 18% | R -60.24 | R 5 226.76 |
| Sep 2020 | R 5 050.00 | 11.5% | R -51.03 | R 4 998.97 |
| Dec 2020 | R 4 797.00 | 12.5% | R -45.44 | R 4 751.56 |
| Mar 2021 | R 4 895.00 | 0% | R -41.35 | R 4 853.65 |
| 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 R23.00 down and Sep'20 Wheat closed R50.00 lower. The parity move for the Jul'20 Wheat contract for yesterday was R51.00 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 | 850.50 | 0.00 | 6.50 | 902.00 | 51.50 |
| AUG 2020 | 847.00 | 852.75 | 0.00 | 5.75 | 854.25 | 1.50 |
| SEP 2020 | 850.00 | 854.25 | 0.00 | 4.25 | 855.75 | 1.50 |
| NOV 2020 | 857.00 | 860.50 | -0.50 | 3.50 | 862.00 | 1.50 |
| JAN 2021 | 862.00 | 865.00 | -0.25 | 3.00 | 866.50 | 1.50 |

| CBOT Soybean Meal | | |
|-------------------|--------------------|-------------------|
| Month | Main Session Close | Current Overnight |
| JUL 2010 | 283.7 | 284.00 |
| AUG 2010 | 285.7 | 286.20 |
| SEP 2010 | 287.4 | 288.00 |
| OCT 2010 | 289 | 0.00 |
| DEC 2010 | 292.2 | 292.80 |

| CBOT Soybean Oil | | |
|------------------|--------------------|-------------------|
| Month | Main Session Close | Current Overnight |
| JUL 2010 | 27.94 | 28.03 |
| AUG 2010 | 28.12 | 28.18 |
| SEP 2010 | 28.29 | 28.40 |
| OCT 2010 | 28.45 | 28.53 |
| DEC 2010 | 28.77 | 28.82 |



FarmFutures - Optimism over Chinese demand sent soybean futures soaring today. Strength was also underpinned by slowing planting progress in the Eastern Corn Belt. July soybean futures were up \$0.115/bushel to \$8.52. July soyoil futures traded \$0.38/lb higher to \$27.98 and July soymeal prices added \$0.8/ton to \$283.9. Cash soybean prices rose \$0.04/bushel to \$0.16 over July futures prices at a Lafayette, Indiana crushing facility. Basis also rose on the Illinois River at Seneca, Illinois by \$0.04/bushel to \$0.02 ahead of July futures. Farmer sales remained slow as many growers focused on fieldwork in the wake of low commodity prices. USDA announced a private export sale of 4.8 million bushels of soybeans to China this morning for delivery in the 2020/21 marketing year. The announcement confirms a Reuters report yesterday that indicated three cargoes of soybeans had been sold out of the U.S. Pacific Northwest for delivery in China in October or November. The sales announcement comes amid rising tensions between the world's two largest economies and only a day after Beijing ordered state-owned grain companies from purchasing U.S. soybeans and pork. Iowa Senator Charles Grassley is confident China will uphold their end of the Phase 1 purchasing agreements despite the most recent escalation with the U.S. over Hong Kong and the origins of the coronavirus. The head of the U.S. Senate Finance Committee told reporters this morning that upon speaking with U.S. Trade Representative Robert Lighthizer that China does not want to disrupt trade progress with the U.S. Any disruptions are likely to be temporary. "I don't have any reason to think that China long-term (is) not going to keep their agreement".

South African Futures Exchange

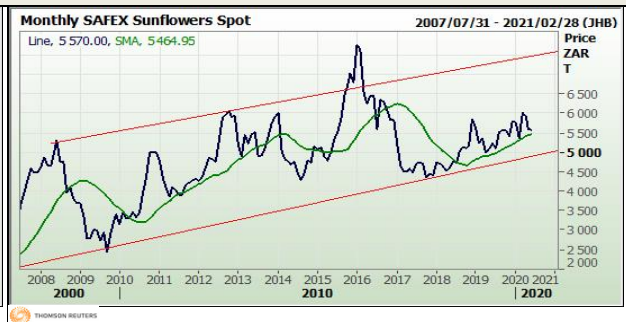
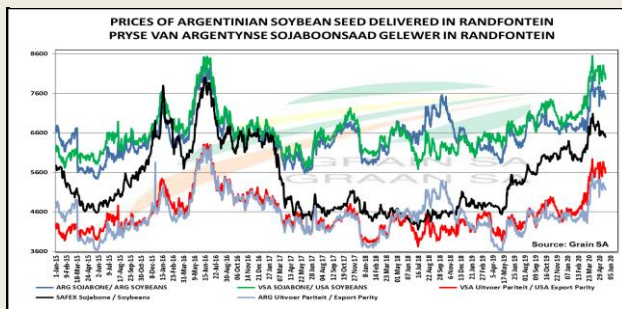
| Soybean Future | | | | |
|----------------|------------|--------|---------------|--------------|
| | MTM | Vols | Parity Change | Market Price |
| May 2020 | | | | |
| Jul 2020 | R 6 432.00 | 19% | R 306.23 | R 6 738.23 |
| Sep 2020 | R 6 502.00 | 14.75% | R -22.13 | R 6 479.87 |
| Dec 2020 | R 6 588.00 | 15% | | R 6 588.00 |
| Mar 2021 | R 6 495.00 | 0% | | R 6 495.00 |
| May 2021 | R 6 160.00 | 17% | | R 6 160.00 |
| Jul 2021 | | | | |

| Sunflower Seeds Future | | |
|------------------------|------------|------|
| | MTM | Vols |
| May 2020 | | |
| Jul 2020 | R 5 635.00 | 19% |
| Sep 2020 | R 5 739.00 | 0% |
| Dec 2020 | R 5 863.00 | 15% |
| Mar 2021 | | |
| May 2021 | | |
| Jul 2021 | | |



The local Soya market traded lower yesterday. The Jul'20 Soya contract ended R16.00 down and Sep'20 Soya closed R3.00 lower. The parity move for the Jul'20 Soya contract for yesterday was R4.00 positive.

The local Suns market closed mixed yesterday. The Jul'20 Suns contract closed R7.00 up while Sep'20 Suns closed R11.00 lower.



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