



**Fundamental Report**  
**08 June 2020**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	16.8205	16.7953	-0.0252	-0.15%
Euro/Rand	19.0569	18.9639	-0.0930	-0.49%
GBPound/Rand	21.2367	21.3280	0.0913	0.43%
AusDollar/Rand	11.7307	11.7130	-0.0177	-0.15%
Euro/USDollar	1.1332	1.1291	-0.0041	-0.36%
GBPound/USDollar	1.2629	1.2701	0.0072	0.57%
AusDollar/USDollar	0.6976	0.6974	-0.0002	-0.03%
JpyYen/USDollar	109.2300	109.4800	0.2500	0.23%

BDLive - The JSE tracked global equities higher on Friday as US employment data came in better than expected and a pick-up in business activity aided sentiment.

The US added 2.5-million jobs in May in spite of expectations of further cuts in the labour market amid Covid-19. The consensus according to Trading Economics was for the US to have shed 8-million jobs.

"There are a number of reasons to be cautious in this market but none are clearly as compelling as the grand economic reopening and authorities everywhere pumping out cash like it's going out of fashion," said Oanda senior market analyst Craig Erlam. The European Central Bank increased its Covid-19 stimulus scheme by €600bn on Thursday, to €1.35-trillion.

The JSE all share rose 2.85% to 54,722.38 points and the top 40 2.79%. Banks gained 6.57% and financials 4.39%. The all share rose 8.4% this week and is now down just 4% in 2020.



### Commodities

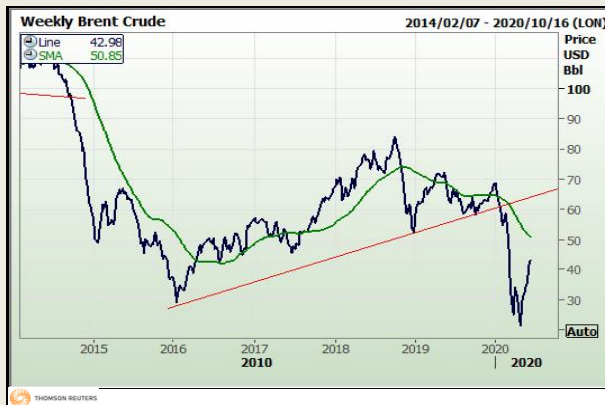
	Last	Value Change	% Change
Platinum	821.79	-14.21	-1.73%
Gold	1687.66	2.43	0.14%
Silver	17.46	0.09	0.53%
Copper	2.55	-0.01	-0.41%
Gasoil	337.00	6.50	1.93%
Brent Oil	42.85	0.55	1.28%

BDLive - Bengaluru — Gold prices rose on Thursday after an equity rally fuelled by signs of an economic recovery from mandated shutdowns sparked the biggest daily fall since April 30 in the previous session.

Spot gold climbed 0.4% to \$1,703.95/oz by 4.07am GMT after a 1.7% drop on Wednesday. US gold futures inched up 0.1% to \$1,705.70.

The market is seeing some "corrective action" after Wednesday's steep decline, said DailyFx currency strategist Ilya Spivak.

Economic optimism from easing coronavirus-related lockdown restrictions has dampened demand for the safe-haven metal recently, sending prices lower by 1.3% so far this week.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	50199.80	0.00	0.00%
ALSI	50384.00	0.00	0.00%
S&P 500	3112.35	81.58	2.62%
FTSE	6341.44	142.86	2.25%
CAC	5197.79	0.00	0.00%
DAX	12847.68	0.00	0.00%
Hang Seng	24770.41	120.06	0.48%



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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	330.00	331.25	-0.50	1.25	331.75	0.50	1.75
SEP 2020	334.00	335.50	-0.25	1.50	336.50	1.00	2.50
DEC 2020	343.00	345.25	-0.50	2.25	346.00	0.75	3.00
MAR 2021	355.00	357.00	-0.75	2.00	357.50	0.50	2.50
MAY 2021	362.00	363.25	-0.50	1.25	364.00	0.75	2.00

FarmFutures - Corn prices continued higher to follow the energy complex higher today. Both July and September futures prices were up \$0.035/bushel to \$3.325 and \$3.3675, respectively.

Cash corn prices inched up on the Mississippi River at Savanna, Illinois today and at a Burns Harbor, Indiana elevator. Processing demand dropped a penny per bushel lower to \$0.08 below July futures prices at a Blair, Nebraska facility. Demand also eased at a Council Bluffs, Iowa ethanol plant. Despite a steady increase in corn futures prices this week, farmer sales remained slow.

The Argentine corn harvest, which is expected to yield 2.8 billion bushels, is over halfway finished with 55.6% of acres completed for harvest. Argentina neared the end of its soybean harvest season on Thursday, with 98.6% of its 2019/20 crop harvested. Harvest estimates peg the crop at 2.97 billion bushels. Farmers immediately transitioned to wheat planting ahead of a rainy weekend forecast in the Pampas grain belt region. Wheat sowing progress advanced 16.6% over the week to 30% complete as of yesterday, according to the Buenos Aires Grains Exchange. Argentine farmers are expected to plant 16.8 million acres of wheat in the 2020/21 marketing year.

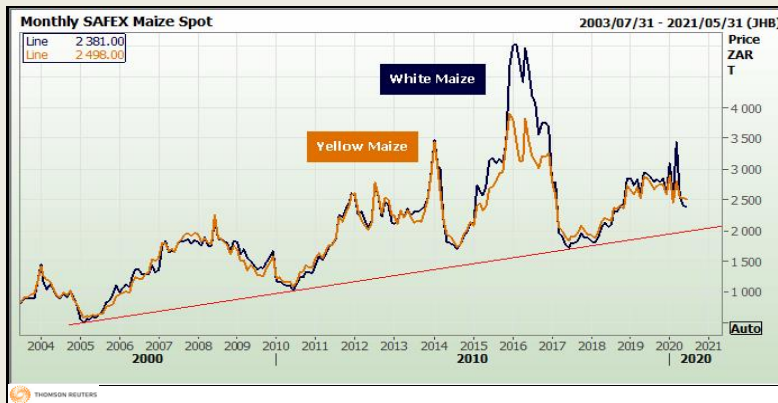
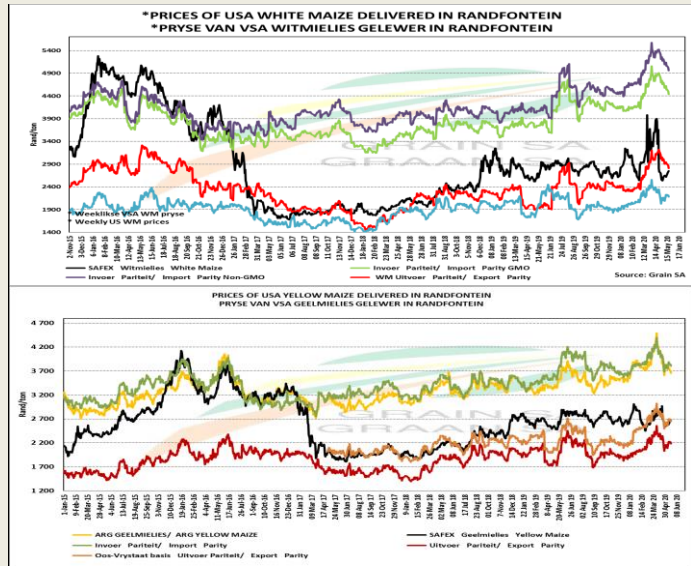
Ukraine is nearly finished with their spring planting season. As of this morning, 98% of the crops had been planted. The Ukrainian economy ministry estimates that 13.1 million acres of corn and 3.2 million acres of soybeans, among other crops, will be planted this spring. 2020 grain production in Ukraine is projected at 65-68 million tonnes, down from a record-high 75 million tonnes last year.



### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
May 2020				
Jul 2020	R 2 391.00	21.75%	R 8.30	R 2 399.30
Sep 2020	R 2 442.00	20%	R 13.22	R 2 455.22
Dec 2020	R 2 526.00	22.5%	R 16.43	R 2 542.43
Mar 2021	R 2 551.00	24%	R 13.01	R 2 564.01
May 2021	R 2 561.00	0%	R 9.63	R 2 570.63
Jul 2021	R 2 576.00	27%		R 2 576.00
<b>Yellow Maize Future</b>				
May 2020				
Jul 2020	R 2 508.00	22.5%	R 8.30	R 2 516.30
Sep 2020	R 2 554.00	18%	R 13.22	R 2 567.22
Dec 2020	R 2 638.00	20%	R 16.43	R 2 654.43
Mar 2021	R 2 663.00	19.5%	R 13.01	R 2 676.01
May 2021	R 2 611.00	0%	R 9.63	R 2 620.63
Jul 2021	R 2 614.00	18%		R 2 614.00

The local Maize market traded higher yesterday. The Jul'20 WMAZ contract ended R7.00 up and Jul'20 YMAZ closed R4.00 higher. The Sep'20 WMAZ closed higher by R4.00 and Sep'20 YMAZ ended R2.00 up. The parity move for the Jul'20 Maize contract for yesterday was R11.00 positive.



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## Wheat Market

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

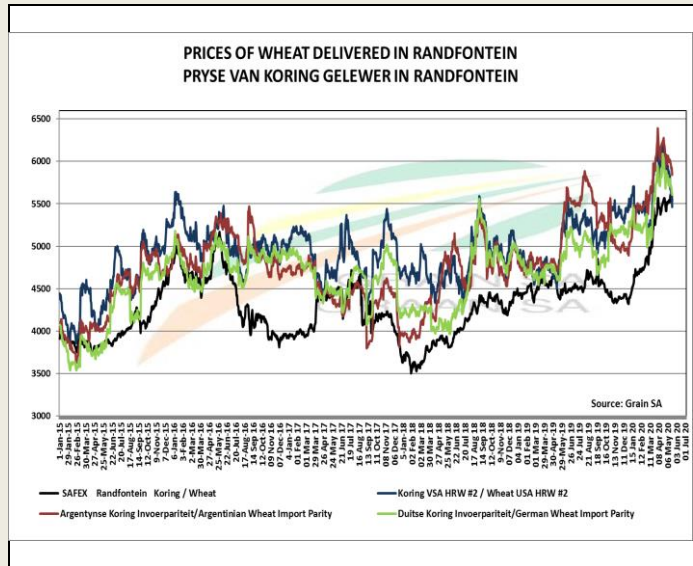
CBOT Wheat								KBOT Wheat							
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm	Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
JUL 2020	525.00	515.25	6.25	-9.75	514.00	-1.25	-11.00	JUL 2010	475.00	461.25	4.25	-13.75	461.75	0.50	-13.25
SEP 2020	529.00	520.25	5.50	-8.75	519.00	-1.25	-10.00	SEP 2010	482.00	469.25	4.00	-12.75	469.50	0.25	-12.50
DEC 2020	538.00	530.50	5.00	-7.50	529.25	-1.25	-8.75	DEC 2010	493.00	481.00	4.00	-12.00	481.00	0.00	-12.00
MAR 2021	547.00	540.00	3.75	-7.00	539.25	-0.75	-7.75	MAR 2011	505.00	492.50	4.25	-12.50	493.50	1.00	-11.50
MAY 2021	552.00	544.75	3.00	-7.25	529.00	-15.75	-23.00	MAY 2011	510.00	500.00	4.25	-10.00	500.00	0.00	-10.00



FarmFutures - The ICE Dollar Index bounced up 0.28% today, sending futures prices in the wheat complex tumbling despite hot and dry forecasts in the Southern Plains this weekend. Spot basis bids for soft red winter wheat in Decatur, Indiana rose \$0.05/bushel to \$0.15 below Chicago SRW futures prices for the July contract today. Cash offerings for hard red winter wheat in Kansas rose \$0.04/bushel to \$0.52 below Kansas City HRW futures prices for July at an elevator in Goodland. Basis was mostly unchanged elsewhere in the Southern Plains. New crop sales slowed as the dollar strengthened slightly. One of Russia's largest grain producing states, Stavropol, cut yield forecasts by 40% from last year's crop on a cold winter and drought conditions to 139.6 million bushels. The recent drought in the fertile southern Russian regions is expected to drop the total Russian grain harvest to 4.4 billion bushels this year, according to Russia's agricultural ministry. USDA has the 2019/20 Russian wheat crop pegged at 2.7 billion bushels. Russia is the world's largest exporter of wheat. Following an abnormally soggy fall planting season, the drought plaguing the European Union this spring will likely result in further cuts to production forecasts as wheat harvest season approaches in the northern hemisphere. Regardless of recent rainfall limiting losses, continental Europe will likely see its smallest wheat crop over the past decade by summer's end. New projections place the total grain crop at 4.46 billion bushels.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
May 2020				
Jul 2020	R 5 225.00	18%	R -72.74	R 5 152.26
Sep 2020	R 5 013.00	11.5%	R -66.61	R 4 946.39
Dec 2020	R 4 780.00	12.5%	R -58.98	R 4 721.02
Mar 2021	R 4 862.00	0%	R -52.89	R 4 809.11
May 2021				
Jul 2021				
<b>Cape Wheat</b>				
May 2020				
Jul 2020				
Sep 2020				
Dec 2020				
Mar 2021				
May 2021				
Jul 2021				



The local Wheat market closed mixed yesterday. The Jul'20 Wheat contract closed R35.00 up while Sep'20 Wheat closed unchanged. The parity move for the Jul'20 Wheat contract for yesterday was R72.00 negative.



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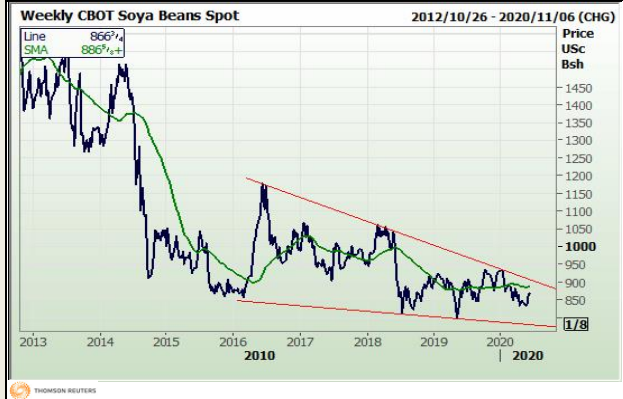
## Oil Seed Market

### 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	871.00	867.75	0.00	-3.25	902.00	34.25
AUG 2020	872.00	870.00	0.00	-2.00	869.00	-1.00
SEP 2020	874.00	871.75	0.00	-2.25	871.25	-0.50
NOV 2020	880.00	879.50	-0.50	-0.50	878.75	-0.75
JAN 2021	885.00	884.50	-0.25	-0.50	883.50	-1.00

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
JUL 2020	289.1	289.30
AUG 2020	291.5	291.70
SEP 2020	293.6	293.60
OCT 2020	295.1	295.00
DEC 2020	298.2	298.20

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
JUL 2010	28.14	28.07
AUG 2010	28.33	28.27
SEP 2010	28.52	28.48
OCT 2010	28.7	28.64
DEC 2010	29.04	28.98



FarmFutures - Soybeans extended their rally, with the July futures contract rising \$0.005/bushel to \$8.6825 on another round of export sales announced by USDA this morning. The July contract will record its highest weekly price gain since last October. July soyoil futures prices followed \$0.44/lb higher to \$28.26. But rising futures prices chilled demand for soy meal purchases, sending the July futures contract for soy meal \$0.5/ton lower to \$289.3. Cash soybean prices were mixed at processors across the Eastern Corn Belt as crush facilities with varying inventories made basis adjustments to level supplies. Basis fell \$0.02/bushel lower to \$0.01 over July futures prices on the Mississippi River at Savanna, Illinois. Farmer sales slowed as the rally in July futures prices began to taper off. USDA announced two more soybean export sales this morning to unknown destinations. Former USDA chief economist Joe Glauber is a vocal critic of the agreement, stating, "there's absolutely zero chance" of meeting Phase 1 trade agreements at China's current purchasing pace. "They're just so far behind." But a falling U.S. dollar has contributed to a recent uptick in soybean purchases. Weekly export data released yesterday show that U.S. corn and wheat growers have also benefited from a falling dollar over the past two weeks.

### South African Futures Exchange

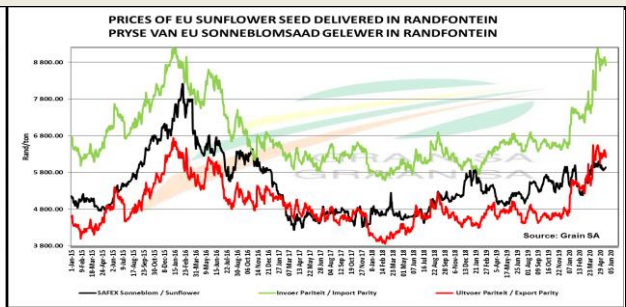
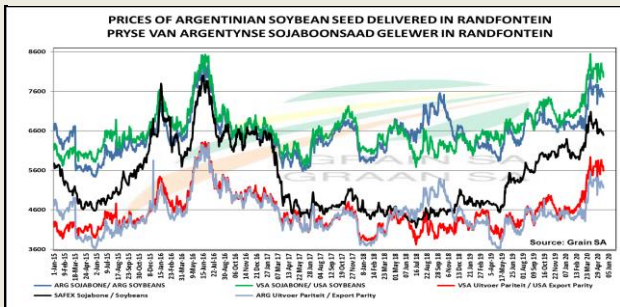
Soybean Future				
	MTM	Vols	Parity Change	Market Price
May 2020				
Jul 2020	R 6 602.00	19%	R 183.24	R 6 785.24
Sep 2020	R 6 670.00	14.75%	R -25.06	R 6 644.94
Dec 2020	R 6 738.00	15%		R 6 738.00
Mar 2021	R 6 550.00	0%		R 6 550.00
May 2021	R 6 185.00	17%		R 6 185.00
Jul 2021				

Sunflower Seeds Future		
	MTM	Vols
May 2020		
Jul 2020	R 5 722.00	19%
Sep 2020	R 5 836.00	0%
Dec 2020	R 5 955.00	15%
Mar 2021	R 5 880.00	0%
May 2021		
Jul 2021		



The local Soya market traded lower yesterday. The Jul'20 Soya contract ended R4.00 down and Sep'20 Soya closed R2.00 lower. The parity move for the Jul'20 Soya contract for yesterday was R30.00 negative.

The local Suns market closed lower yesterday. The Jul'20 Suns contract closed R22.00 down and Sep'20 Suns closed R9.00 lower.



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