



# **Fundamental Report**

## **10 July 2020**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	16.8686	16.8726	0.0040	0.02%
Euro/Rand	19.1097	19.0219	-0.0878	-0.46%
GBPound/Rand	21.3357	21.2390	-0.0967	-0.45%
AusDollar/Rand	11.7845	11.7096	-0.0749	-0.64%
Euro/USDollar	1.1331	1.1272	-0.0059	-0.52%
GBPound/USDollar	1.2653	1.2589	-0.0064	-0.51%
AusDollar/USDollar	0.6986	0.6940	-0.0046	-0.66%
JpyYen/USDollar	107.2800	107.0300	-0.2500	-0.23%

BDLive - The rand firmed for a second day on Thursday as concerns over the rising number of Covid-19 cases in the US put pressure on the dollar, while gold remains at multiyear highs as investors seek refuge in the precious metal. The rand has mostly maintained levels below R17/\$ this week, having gained 1.5% since start of trade on Monday.

"Markets continue to seesaw, flipping between risk-on and risk-off at the blink of an eye. Gold eased from nine-year highs on Thursday, assisting emerging-market currencies to recover some ground," said Peregrine Treasury Solutions executive director Bianca Botes.

The rand firmed against most major currencies on the day, reaching an intraday best of R16.7826/\$, according to Infront data. At 7.03pm, it had strengthened 0.37% to R16.8753/\$, 0.73% to R19.0551/€ and 0.35% to R21.2872/£. The euro had lost 0.26% to \$1.1302.



### Commodities

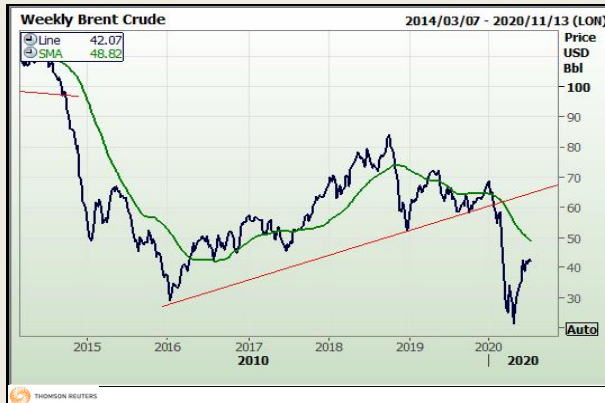
	Last	Value Change	% Change
Platinum	825.50	-7.86	-0.95%
Gold	1800.20	-2.62	-0.15%
Silver	18.59	-0.07	-0.37%
Copper	2.84	0.00	0.05%
Gasoil	0.00	0.00	
Brent Oil	42.09	-0.26	-0.62%

BDLive - Bengaluru — Gold held steady above the key \$1,800/oz level on Thursday, as worries over mounting Covid-19 cases offset hopes of a swift global economic recovery. Spot gold was little changed at \$1,808.44/oz by 2.43am GMT, after rising to its highest level since September 2011 at \$1,817.71 on Wednesday. US gold futures were flat at \$1,819.80.

Traders are seen a little exhausted after the metal cleared the \$1,800 level, "but no-one seems eager to abandon this trade yet", said Edward Moya, senior market analyst at broker Oanda.

"Gold is looking very bullish both in the short and long term ... It has enough catalysts to take it to record territory before the end of the year," said Moya.

Global coronavirus cases reached more than 12-million on Wednesday, with more than half a million dead.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	51536.91	0.00	0.00%
ALSI	51748.00	0.00	0.00%
S&P 500	3169.94	-17.89	-0.56%
FTSE	6156.16	-106.54	-1.73%
CAC	4921.01	0.00	0.00%
DAX	12489.46	0.00	0.00%
Hang Seng	26210.16	-291.07	-1.11%



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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	353.00	351.25	-0.50	-1.75	351.50	0.25	-1.50
SEP 2020	351.00	348.75	-0.25	-2.25	349.00	0.25	-2.00
DEC 2020	359.00	357.00	-0.50	-2.00	357.25	0.25	-1.75
MAR 2021	369.00	366.75	-0.75	-2.25	367.00	0.25	-2.00
MAY 2021	374.00	372.25	-0.50	-1.75	372.00	-0.25	-2.00

FarmFutures - Corn prices continued to rise Thursday on lingering concerns about upcoming hot, dry forecasts across large portions of the Corn Belt, which triggered another round of technical selling that pushed prices about 0.9% higher today. July futures closed up 3 cents to \$3.5125, with September futures up 3.25 cents to \$3.4950.

Corn basis bids held steady across most Midwestern locations Thursday but did tick 2 cents higher at an Iowa processor today. Farmer sales have improved overall this week on the heels of rising futures prices. Corn exports saw 23.6 million bushels in old crop sales, plus another 16.1 million bushels in new crop sales, for a total of 39.7 million bushels for the week ending July 2. Old crop sales climbed 30% above the prior four-week average, and total sales were on the high end of trade estimates, which ranged between 17.7 million and 43.3 million bushels. Cumulative totals for the 2019/20 marketing year are still more than 350 million bushels behind last year's pace, at 1.377 billion bushels. Corn export shipments were for 42.7 million bushels, sliding 11% below the prior four-week average. Mexico was the No. 1 destination, with 14.1 million bushels.

Ahead of tomorrow morning's WASDE report from USDA, analysts think the agency will significantly lower its estimates for 2020 corn production, falling from 15.995 billion bushels in June down to 15.036 billion bushels. Yield is expected to remain stable from a month ago, however, at an average 178.5 bushels per acre. And ending stocks for 2019/20 are expected to rise from June's 2.103 billion bushels up to 2.227 billion bushels.

China sold another big batch of its state corn reserves at auction earlier today. The latest tally – 156.3 million bushels – was the entire amount available for sale.

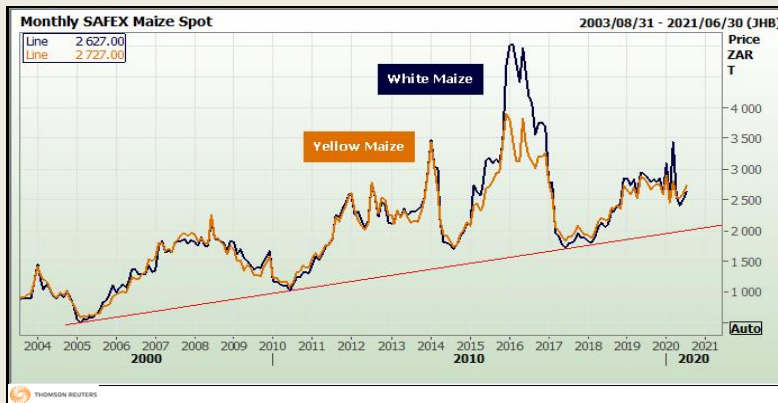
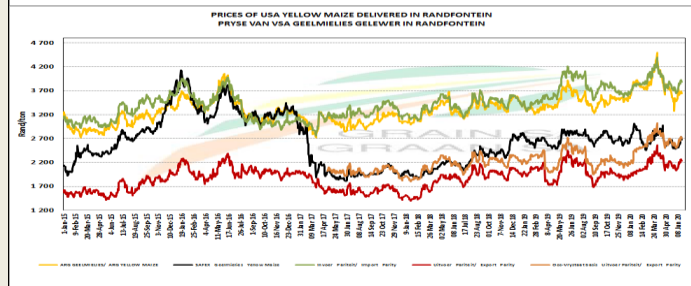
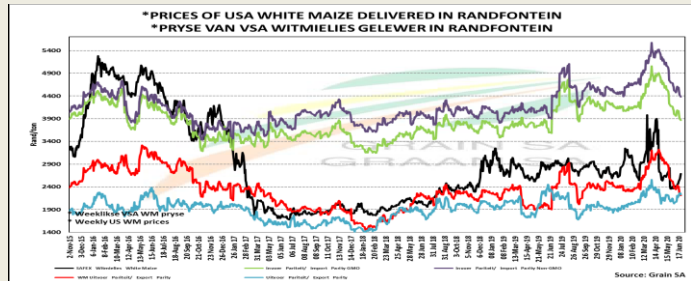
Preliminary volume estimates were for 392,120 contracts, moving moderately ahead of Wednesday's final count of 28,106.



### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
May 2020				
Jul 2020	R 2 627.00	21.75%	R -9.41	R 2 617.59
Sep 2020	R 2 658.00	20%	R -12.73	R 2 645.27
Dec 2020	R 2 748.00	24.5%	R -11.06	R 2 736.94
Mar 2021	R 2 772.00	25.5%	R -12.70	R 2 759.30
May 2021	R 2 746.00	0%	R -12.70	R 2 733.30
Jul 2021	R 2 742.00	25%		R 2 742.00
<b>Yellow Maize Future</b>				
May 2020				
Jul 2020	R 2 727.00	22%	R -9.41	R 2 717.59
Sep 2020	R 2 776.00	18.5%	R -12.73	R 2 763.27
Dec 2020	R 2 858.00	19%	R -11.06	R 2 846.94
Mar 2021	R 2 872.00	19.5%	R -12.70	R 2 859.30
May 2021	R 2 795.00	0%	R -12.70	R 2 782.30
Jul 2021	R 2 775.00	18%		R 2 775.00

The local Maize market traded higher yesterday. The Jul'20 WMAZ contract ended R18.00 up and Jul'20 YMAZ closed R16.00 higher. The Sep'20 WMAZ closed higher by R14.00 and Sep'20 YMAZ ended R14.00 up. The parity move for the Jul'20 Maize contract for yesterday was R14.00 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	534.00	526.25	6.25	-7.75	536.75	10.50	2.75	JUL 2010	451.50	452.00	4.25	0.50	0.00	-452.00	-451.50
SEP 2020	520.00	525.00	5.00	5.00	523.75	-1.25	3.75	SEP 2010	461.00	456.75	4.00	-4.25	453.25	-3.50	-7.75
DEC 2020	524.00	530.00	5.00	6.00	528.25	-1.75	4.25	DEC 2010	471.00	468.00	4.00	-3.00	464.75	-3.25	-6.25
MAR 2021	530.00	535.00	3.75	5.00	533.00	-2.00	3.00	MAR 2011	482.00	479.25	4.25	-2.75	476.00	-3.25	-6.00
MAY 2021	533.00	539.00	3.00	6.00	529.00	-10.00	-4.00	MAY 2011	489.00	486.25	4.25	-2.75	482.75	-3.50	-6.25



FarmFutures - Wheat prices were mixed but mostly higher, as traders remain focused on lower production reports coming from several overseas competitors, which prompted another round of technical buying Thursday. September Chicago SRW futures gained 7.25 cents to \$5.2375, September Kansas City HRW futures slipped a penny lower to \$4.5575, and September MGEX spring wheat futures picked up 1.75 cents to \$5.25.

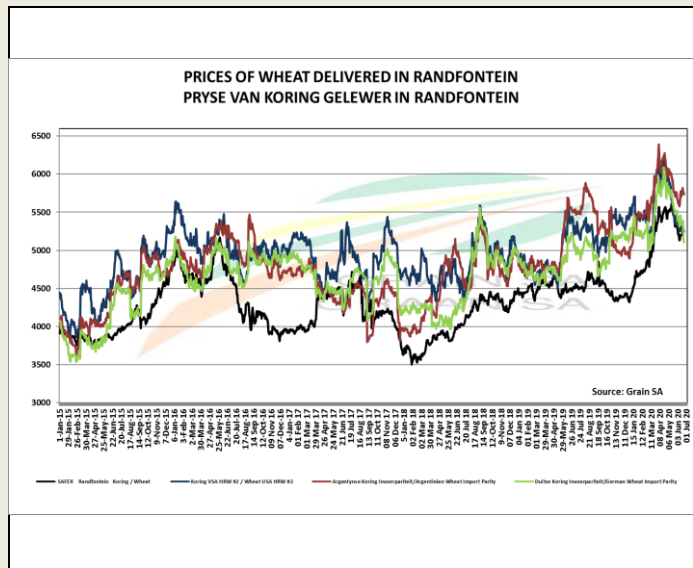
Wheat sales gathered 12.0 million bushels in sales for the 2020/21 marketing year this past week but also noted a reduction of 2.8 million bushels for 2021/22. Analysts generally thought old crop sales would be more robust, with trade guesses ranging between 7.3 million and 20.2 million bushels. Marketing-year totals have started off relatively slow, now at 82.9 million bushels.

Wheat export shipments fared somewhat better, with 15.1 million bushels. Mexico was the No. 1 destination, with 4.1 million bushels. Traders think the Philippines passed on all offers to purchase 4.0 million bushels of animal feed wheat in a tender that closed earlier today, with prices regarded as being too high.

Preliminary volume estimates were for 217,950 CBOT contracts, moving slightly ahead of Wednesday's final count of 185,253.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
May 2020				
Jul 2020	R 5 651.00	18%	R 17.83	R 5 668.83
Sep 2020	R 5 197.00	11.5%	R 24.01	R 5 221.01
Dec 2020	R 4 826.00	12.5%	R 27.12	R 4 853.12
Mar 2021	R 4 917.00	0%	R 19.38	R 4 936.38
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 R15.00 down while Sep'20 Wheat closed R29.00 higher. The parity move for the Jul'20 Wheat contract for yesterday was R24.00 positive.



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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	903.00	898.25	0.00	-4.75	902.00	3.75
AUG 2020	899.00	896.50	0.00	-2.50	897.50	1.00
SEP 2020	897.00	895.25	0.00	-1.75	896.75	1.50
NOV 2020	903.00	901.50	-0.50	-1.50	902.50	1.00
JAN 2021	909.00	907.00	-0.25	-2.00	907.00	0.00

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
JUL 2010	295.1	0.00
AUG 2010	297.3	297.90
SEP 2010	299.9	300.60
OCT 2010	301.8	302.50
DEC 2010	305.4	306.30

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
JUL 2010	28.19	0.00
AUG 2010	28.29	28.20
SEP 2010	28.45	28.40
OCT 2010	28.6	28.52
DEC 2010	28.92	28.84



FarmFutures - Soybean prices tested solid gains this morning before fading late in the session. But prices still finished moderately higher compared to Wednesday's close on a round of technical buying, chalking up gains of around 0.5% today. July futures rose 3.5 cents to \$8.9825, with August futures up 4 cents to \$8.9650. (Note: It has now been 165 days since July futures closed above \$9 per bushel.) Soybean basis bids inched a penny higher at an Iowa river terminal Thursday while holding steady elsewhere across the central U.S. today.

Old crop soybean sales jumped 60% above the prior four-week average, with 35.0 million bushels. New crop sales added another 14.0 million bushels, for a total of 49.0 million bushels last week. Analysts had predicted a tally landing somewhere between 25.7 million and 66.1 million bushels. China accounted for nearly half of the total, with 24.0 million bushels. Cumulative totals for the 2019/20 marketing year are slightly behind last year's pace, with 1.388 billion bushels. Readers reporting to Feedback From The Field show some mounting concerns with this year's corn crop, but some crop stress is still apparent in some places. "Large cracks starting in soil 7/7/20. Plants stressed on eroded soil and compacted areas," writes a Central Illinois farmer. A Kentucky grower has been "fighting poor stands all year," after a cool and wet May. "[It's] very dry...need rain soon," laments a Michigan reader. Click here to participate in our reader survey and view the interactive map to learn more from farmers in your area. Preliminary volume estimates were for 181,556 contracts, trending slightly ahead of Wednesday's final count of 174,472.

### South African Futures Exchange

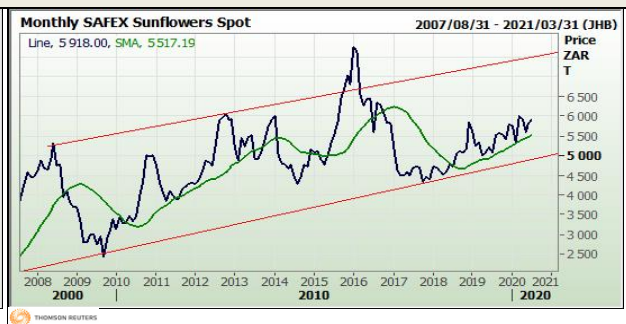
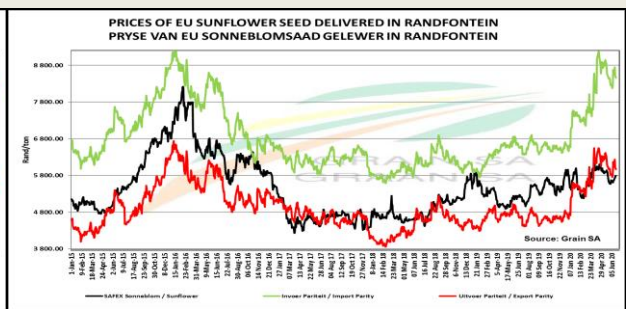
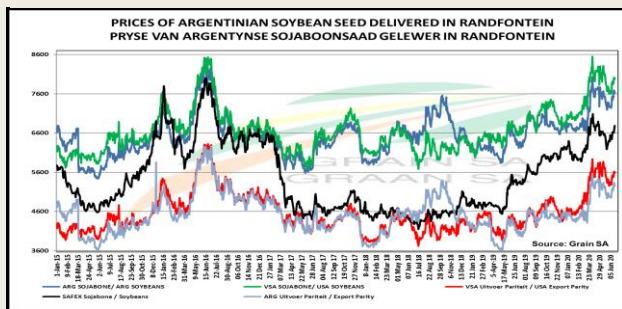
Soybean Future				
	MTM	Vols	Parity Change	Market Price
May 2020				
Jul 2020	R 6 932.00	19%	R -4.87	R 6 927.13
Sep 2020	R 6 990.00	15%	R -0.23	R 6 989.77
Dec 2020	R 7 050.00	15%		R 7 050.00
Mar 2021	R 6 798.00	14%		R 6 798.00
May 2021	R 6 370.00	17%		R 6 370.00
Jul 2021				

Sunflower Seeds Future		
	MTM	Vols
May 2020		
Jul 2020	R 5 918.00	19%
Sep 2020	R 6 037.00	11.5%
Dec 2020	R 6 164.00	15%
Mar 2021	R 6 195.00	0%
May 2021	R 5 899.00	0%
Jul 2021		



The local Soya market traded lower yesterday. The Jul'20 Soya contract ended R8.00 down and Sep'20 Soya closed R10.00 lower. The parity move for the Jul'20 Soya contract for yesterday was R2.00 positive.

The local Suns market closed lower yesterday. The Jul'20 Suns contract closed R33.00 down and Sep'20 Suns closed R25.00 lower.



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