



Fundamental Report

13 July 2020

Financial Markets

Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	16.9171	16.7433	-0.1738	-1.03%
Euro/Rand	19.0938	18.9671	-0.1267	-0.66%
GBPound/Rand	21.3206	21.1887	-0.1319	-0.62%
AusDollar/Rand	11.7642	11.6667	-0.0975	-0.83%
Euro/USDollar	1.1290	1.1327	0.0037	0.33%
GBPound/USDollar	1.2608	1.2657	0.0049	0.39%
AusDollar/USDollar	0.6954	0.6968	0.0014	0.20%
JpyYen/USDollar	106.7800	106.8100	0.0300	0.03%

BDLive - The JSE closed weaker on Friday as markets continue to be affected by the rising Covid-19 numbers both in the US and globally, even as economic data remains somewhat positive.

US jobs claims for last week were better than expected, helping to lift sentiment regarding the outlook for the world's largest economy. However, record spikes of Covid-19 infections in Hong Kong and Tokyo have fuelled fears of a second wave hitting Asia; while the number of cases in the US continues to be worrying. Possible lockdowns and delays in economic recovery have further hampered investor sentiment as new infections in SA, India, Brazil and other areas that are yet to see a spike in infection numbers add to the pressure.

"Rising infections in a number of global areas, as well as locally, and at accelerating rates in some key regions, is seeing a sporadic effect on market sentiment and the perceived prospects for economic recovery. At the same time, some data releases are seen to show recovery may potentially be quicker than expected, with a net result of raising uncertainty," said Investec chief economist Annabel Bishop.

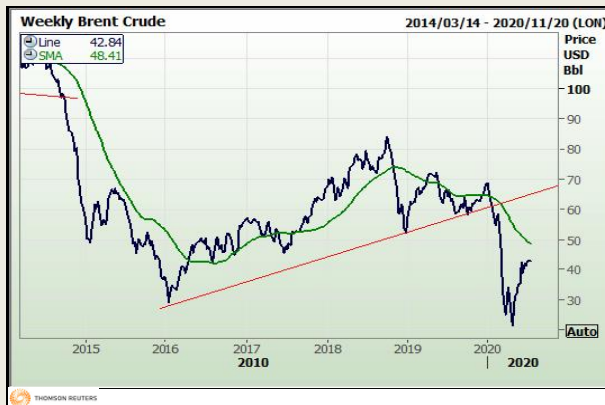


Commodities

	Last	Value Change	% Change
Platinum	830.44	15.84	1.91%
Gold	1804.56	6.25	0.35%
Silver	18.91	0.24	1.27%
Copper	2.98	0.08	2.78%
Gasoil	369.50	-0.25	-0.07%
Brent Oil	42.84	-0.40	-0.93%

BDLive - Gold prices retreated on Thursday, a day after vaulting to nearly nine-year highs, as investors embraced the safe-haven greenback in the face of record US coronavirus cases. Spot gold fell 0.6% to \$1,799.23/oz by 5.36pm GMT, having surged to its highest since September 2011 at \$1,817.71/oz on Wednesday. US gold futures settled down 0.9% at \$1,803.8/oz. "Gold has been overbought quite a bit after it surpassed the \$1,800 level and now we are seeing some investors selling off," said Edward Meir, analyst at ED&F Man Capital Markets.

"The dollar is also climbing a bit, so that is weighing on gold as well. But there are no fundamental reasons as such for the pullback." The dollar rallied from a four-week low as US stocks fell with market sentiment turning cautious as the US hit another record high on new coronavirus cases. US Federal Reserve officials on Wednesday raised fresh doubts about the durability of the US recovery, while new business surveys highlighted developing risks from the relentless coronavirus pandemic.



Financials

	Current Bid	Value Change	% Change
JSE TOP 40	51154.08	0.00	0.00%
ALSI	51343.00	0.00	0.00%
S&P 500	3152.05	32.99	1.05%
FTSE	6049.62	45.79	0.76%
CAC	4970.48	0.00	0.00%
DAX	12633.71	0.00	0.00%
Hang Seng	25727.41	168.90	0.66%



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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	351.00	340.50	-0.50	-10.50	333.50	-7.00	-17.50
SEP 2020	350.00	337.25	-0.25	-12.75	331.75	-5.50	-18.25
DEC 2020	358.00	344.75	-0.50	-13.25	338.75	-6.00	-19.25
MAR 2021	368.00	355.00	-0.75	-13.00	349.00	-6.00	-19.00
MAY 2021	374.00	361.25	-0.50	-12.75	355.25	-6.00	-18.75

FarmFutures - Corn prices slumped about 3% lower Friday on a round of technical selling and profit-taking as traders digested the latest weather forecasts and crop data from USDA. July futures dropped 10.75 cents to \$3.4050, while September futures tumbled 12.5 cents to \$3.3625.

Corn basis bids dropped 2 cents at an Iowa ethanol plant, firming 2 cents at a Nebraska processor and held steady elsewhere across the central U.S. Friday. Farmer sales are up overall this week amid rising futures prices.

Private exporters reported the sale of 53.7 million bushels of corn for delivery to China. Of the total, 30.1 million bushels is for delivery during the current marketing year, with the remainder for delivery in 2020/21. It was the second largest corn purchase from China on record, according to USDA data. World ending stocks for 2019/20 declined slightly, to 12.281 billion bushels. Analysts were expecting a modest increase from USDA's June tally of 12.319 billion bushels, in contrast. World ending stocks for 2020/21 also fell below analyst expectations, to 12.403 billion bushels.

Was last week's USDA quarterly stocks and acreage report a surprise? The agency trimmed its corn estimates by 5 million acres. What happened to those acres? Farm Progress Panel participants weighed in – click here to find out what this survey revealed.

FranceAgriMer estimates that 83% of France's corn crop is in good-to-excellent condition through July 6, holding steady from a week ago.

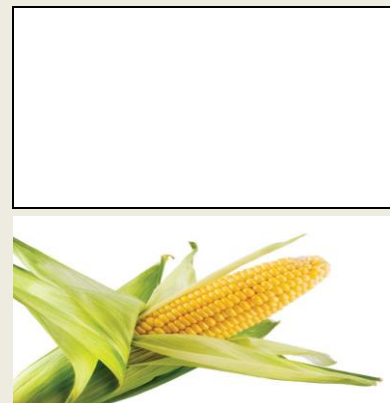
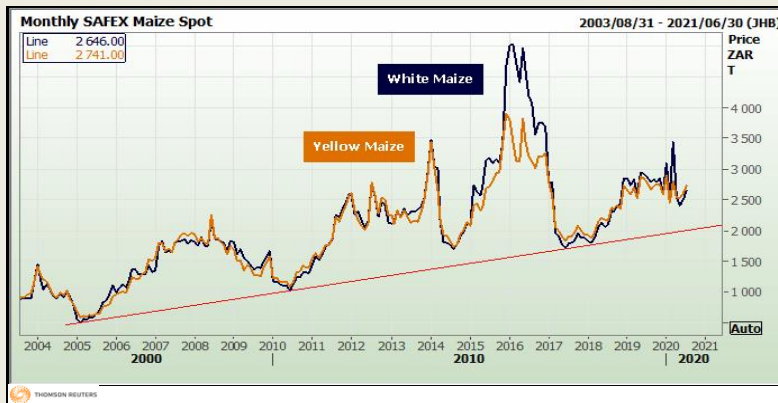
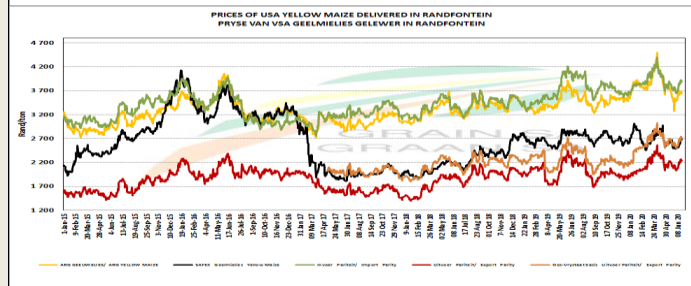
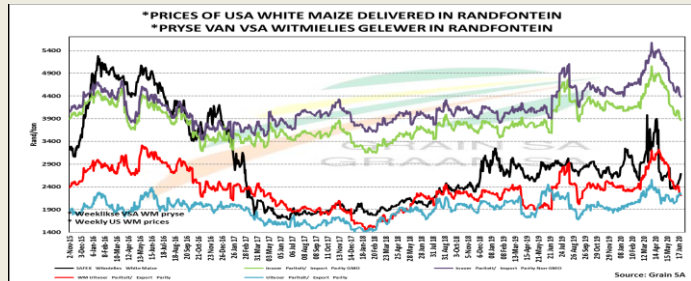
Preliminary volume estimates were for 442,841 contracts, trending moderately ahead of Thursday's final count of 392,120.



South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
White Maize Future				
May 2020				
Jul 2020	R 2 646.00	21.75%	R -139.37	R 2 506.63
Sep 2020	R 2 679.00	20%	R -144.24	R 2 534.76
Dec 2020	R 2 768.00	24.5%	R -151.38	R 2 616.62
Mar 2021	R 2 787.00	25.5%	R -150.42	R 2 636.58
May 2021	R 2 757.00	0%	R -149.18	R 2 607.82
Jul 2021	R 2 729.00	25%		R 2 729.00
Yellow Maize Future				
May 2020				
Jul 2020	R 2 741.00	22%	R -139.37	R 2 601.63
Sep 2020	R 2 792.00	18.5%	R -144.24	R 2 647.76
Dec 2020	R 2 875.00	19%	R -151.38	R 2 723.62
Mar 2021	R 2 886.00	19.5%	R -150.42	R 2 735.58
May 2021	R 2 795.00	0%	R -149.18	R 2 645.82
Jul 2021	R 2 773.00	18%		R 2 773.00

The local Maize market traded higher yesterday. The Jul'20 WMAZ contract ended R19.00 up and Jul'20 YMAZ closed R14.00 higher. The Sep'20 WMAZ closed higher by R21.00 and Sep'20 YMAZ ended R16.00 up. The parity move for the Jul'20 Maize contract for yesterday was R136.00 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	537.00	535.75	6.25	-1.25	0.00	-535.75	-537.00	JUL 2010	442.00	447.25	4.25	5.25	0.00	-447.25	-442.00
SEP 2020	523.00	534.00	5.50	11.00	525.00	-9.00	2.00	SEP 2010	452.00	452.00	4.00	0.00	445.75	-6.25	-6.25
DEC 2020	527.00	539.00	5.00	12.00	530.75	-8.25	3.75	DEC 2010	464.00	464.25	4.00	0.25	459.00	-5.25	-5.00
MAR 2021	533.00	543.00	3.75	10.00	535.00	-8.00	2.00	MAR 2011	475.00	476.00	4.25	1.00	470.25	-5.75	-4.75
MAY 2021	536.00	544.50	3.00	8.50	529.00	-15.50	-7.00	MAY 2011	481.00	483.25	4.25	2.25	477.75	-5.50	-3.25



FarmFutures - Wheat prices were mixed but mostly higher Friday on generally favorable supply and demand data from USDA this morning. Two large sales to China this morning lent additional support. September Chicago SRW futures climbed 10.25 cents to \$5.3525, September Kansas City HRW futures dropped 3.5 cents to \$4.5325, and September MGEX spring wheat futures inched half a penny higher to \$5.2650.

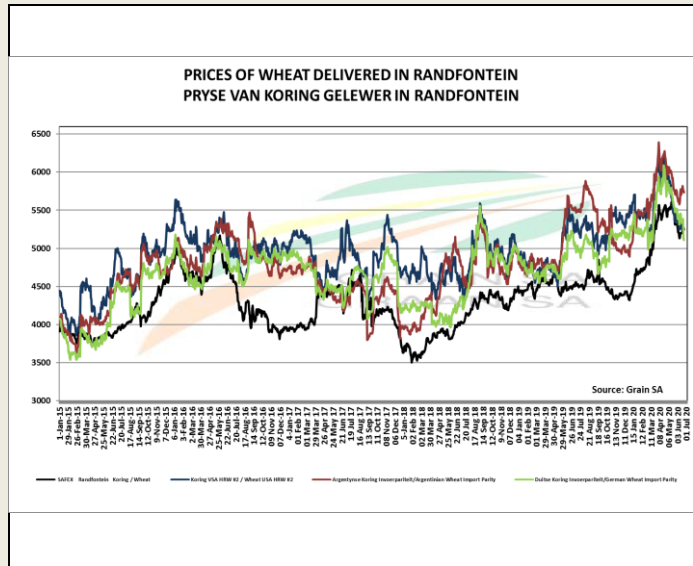
Private exporters reported two large wheat sales for delivery to China. The first is for 6.98 million bushels of hard red spring wheat during the 2020/21 marketing year. The second is for 4.78 million bushels of hard red winter wheat, also for delivery in 2020/21.

USDA noted "larger supplies, lower domestic use, unchanged exports and increased stocks" for wheat. As a result, 2020/21 ending stocks rose 17 million bushels higher to 942 million bushels. Analysts were expecting a slightly larger total, with an average trade guess of 948 million bushels. The season-average farm price held steady, at \$4.60 per bushel.

Preliminary volume estimates were for 215,961 CBOT contracts, falling slightly below Thursday's final count of 217,950.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
Bread Milling Wheat				
May 2020				
Jul 2020	R 5 593.00	18%	R -3 337.98	R 2 255.02
Sep 2020	R 5 198.00	11.5%	R -21.09	R 5 176.91
Dec 2020	R 4 842.00	12.5%	R -10.58	R 4 831.42
Mar 2021	R 4 920.00	0%	R -21.73	R 4 898.27
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 mixed yesterday. The Jul'20 Wheat contract closed R58.00 down while Sep'20 Wheat closed R1.00 higher. The parity move for the Jul'20 Wheat contract for yesterday was R8.00 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	897.00	891.50	0.00	-5.50	902.00	10.50
AUG 2020	899.00	887.25	0.00	-11.75	884.75	-2.50
SEP 2020	898.00	885.50	0.00	-12.50	881.25	-4.25
NOV 2020	903.00	890.75	-0.50	-12.25	885.00	-5.75
JAN 2021	908.00	896.25	-0.25	-11.75	890.25	-6.00

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
JUL 2020	290.8	289.70
AUG 2020	292.5	290.40
SEP 2020	294.9	292.80
OCT 2020	296.8	294.10
DEC 2020	300.1	297.30

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
JUL 2010	28.11	0.00
AUG 2010	28.22	28.18
SEP 2010	28.38	28.37
OCT 2010	28.53	28.51
DEC 2010	28.84	28.82



FarmFutures - Soybean prices faded about 1% lower Friday on a round of technical selling over more favorable weather forecasts and concerns over U.S.-China trade relations. Spillover weakness from corn applied additional headwinds. July futures dropped 6.75 cents to \$8.9150, with August futures down 9.5 cents to \$8.87.

Soybean basis bids were mostly steady across the Midwest Friday but did slip a penny lower at an Iowa river terminal today.

The U.S. soybean footprint is now estimated 200,000 acres larger, with USDA bumping up the total to 83.0 million acres this year. Export projections didn't change, but supplies moved up 45 million bushels and crush estimates also went up 15 million bushels, for a net gain of 30 million bushels that left 2020/21 ending stocks at 425 million bushels. Meanwhile, trade relations between the U.S. and China remain relatively frosty. President Donald Trump noted earlier today that relations are "severely damaged" after each has accused the other of mishandling the coronavirus pandemic. Trump indicated a planned phase-two trade agreement is still on the table but is not a priority right now.

Preliminary volume estimates were for 208,554 contracts, moving slightly above Thursday's final count of 180,771.

South African Futures Exchange

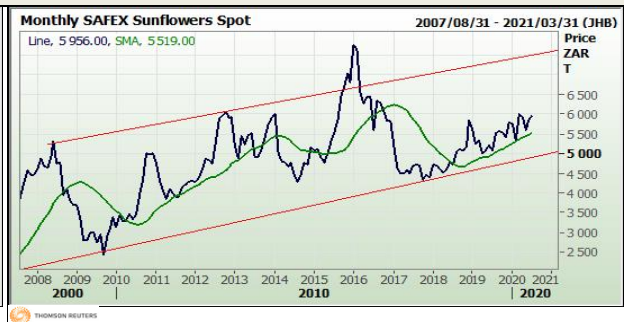
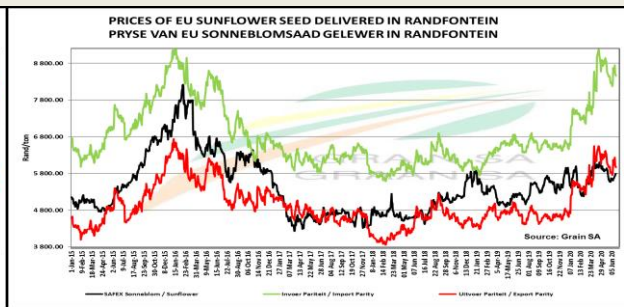
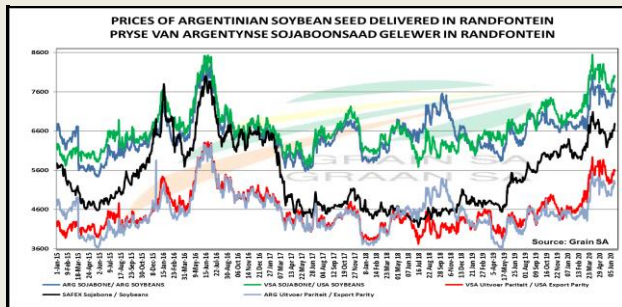
Soybean Future				
	MTM	Vols	Parity Change	Market Price
May 2020				
Jul 2020	R 6 995.00	19%	R -26.52	R 6 968.48
Sep 2020	R 7 033.00	15%	R -160.39	R 6 872.61
Dec 2020	R 7 094.00	15%		R 7 094.00
Mar 2021	R 6 865.00	14%		R 6 865.00
May 2021	R 6 370.00	17%		R 6 370.00
Jul 2021				

Sunflower Seeds Future			
	MTM	Vols	
May 2020			
Jul 2020	R 5 956.00	19%	
Sep 2020	R 6 074.00	11.5%	
Dec 2020	R 6 204.00	15%	
Mar 2021	R 6 195.00	0%	
May 2021	R 5 899.00	0%	
Jul 2021			



The local Soya market traded higher yesterday. The Jul'20 Soya contract ended R63.00 up and Sep'20 Soya closed R43.00 higher. The parity move for the Jul'20 Soya contract for yesterday was R107.00 negative.

The local Suns market closed higher yesterday. The Jul'20 Suns contract closed R38.00 up and Sep'20 Suns closed R37.00 higher.



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