



# **Fundamental Report**

## **02 July 2020**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	17.2460	17.0357	-0.2103	-1.22%
Euro/Rand	19.3343	19.1814	-0.1529	-0.79%
GBPound/Rand	21.3920	21.2692	-0.1228	-0.57%
AusDollar/Rand	11.8963	11.7802	-0.1161	-0.98%
Euro/USDollar	1.1205	1.1258	0.0053	0.47%
GBPound/USDollar	1.2399	1.2483	0.0084	0.68%
AusDollar/USDollar	0.6897	0.6915	0.0018	0.26%
JpyYen/USDollar	107.5300	107.4600	-0.0700	-0.07%

BDLive - The rand firmed on Wednesday, with market sentiment getting a bit of a lift from Covid-19 vaccine news and positive economic data.

The Absa purchasing managers' index (PMI) reached its highest level since August 2013, showing that conditions in the manufacturing sector reached a multiyear high in June, as the economy moved to level 3 lockdown, allowing more businesses to reopen. However, the bank cautioned that this does not mean actual production has bounced back.

Meanwhile, a study of a Covid-19 vaccine candidate being developed by US-based pharmaceutical giant Pfizer, alongside German drugmaker BioNTech, showed the drug created neutralising antibodies. The results were released online, but have not been reviewed by a medical journal yet.

The rand ended a three-day losing run, reaching an intraday best of R17.03/\$, its highest level in two weeks. At 5.38pm, it had strengthened 1.36% to R17.1008/\$, 1.11% to R19.2484/€ and 0.82% to R21.3092/£. The euro had gained 0.23% to \$1.1255.

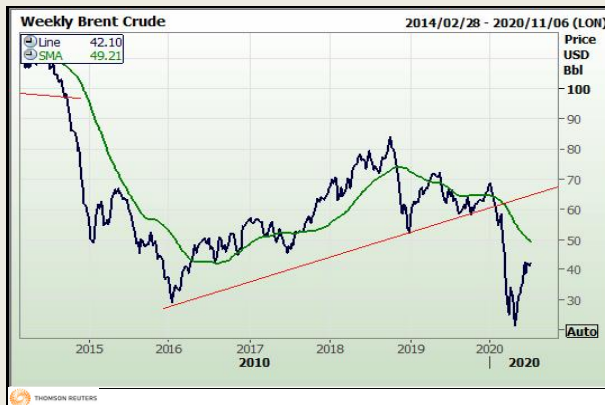


### Commodities

	Last	Value Change	% Change
Platinum	816.75	0.96	0.12%
Gold	1767.94	-2.06	-0.12%
Silver	17.92	-0.02	-0.13%
Copper	2.75	0.02	0.67%
Gasoil	358.00	0.50	0.14%
Brent Oil	42.10	0.07	0.17%

BDLive - Bengaluru — Gold prices firmed near an eight-year peak on Wednesday, as the metal's safe-haven demand was boosted by the worry about the global economic effect of surging coronavirus infections around the world.

Spot gold was up 0.1% at \$1,782.67/oz by 3.36am GMT, after hitting its highest since early October 2012 at \$1,785.46 in the previous session. US gold futures were steady at \$1,800.60. "The clear driver is the huge amount of funds being injected into the global monetary system. All of that money needs to find a home and gold market is seen as a safer place for investors to be putting that money to work," said Michael McCarthy, chief strategist at CMC Markets. Fresh US coronavirus cases could more than double to 100,000 a day if the current surge spirals further out of control, the government's top infectious disease expert warned on Tuesday. US treasury secretary Steven Mnuchin and Federal Reserve chair Jerome Powell pledged to do more for the economy as it battles the virus outbreak, which has infected more than 10.48-million people worldwide so far.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	49570.88	0.00	0.00%
ALSI	49663.00	0.00	0.00%
S&P 500	3100.29	15.57	0.50%
FTSE	6169.74	-11.78	-0.19%
CAC	4926.94	0.00	0.00%
DAX	12260.57	0.00	0.00%
Hang Seng	24427.19	358.40	1.47%



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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	343.00	348.25	-0.50	5.25	347.50	-0.75	4.50
SEP 2020	345.00	350.50	-0.25	5.50	350.00	-0.50	5.00
DEC 2020	354.00	360.50	-0.50	6.50	359.50	-1.00	5.50
MAR 2021	365.00	371.50	-0.75	6.50	370.50	-1.00	5.50
MAY 2021	371.00	377.00	-0.50	6.00	376.25	-0.75	5.25

FarmFutures - Corn prices jumped higher for a second straight session, with USDA reporting lower-than-expected acres yesterday, and as seasonally hot, dry weather returns to the Midwest next week. July futures climbed 9 cents to \$3.4750, while September futures added 8 cents to \$3.4950.

Corn basis bids were mostly steady around the central U.S. Wednesday but did soften 1 to 6 cents at three Midwestern locations today. A spike in grain prices on Tuesday prompted an uptick in farmer sales.

Ahead of tomorrow morning's weekly export report from USDA, analysts expect the agency to show corn sales for the week ending June 25 to range between 17.7 million and 35.4 million bushels.

Ethanol production is up again, although progress has been slowing down after moving from a daily average of 893,000 barrels the prior week up to 900,000 barrels for the week ending June 26. August ethanol futures jumped nearly 4% higher, to \$1.25 on the news, along with spillover strength from other energy futures. Grain traveling the nation's railways were down another 7.5% year-over-year last week, with 19,303 carloads. Cumulative totals for 2020 are now at 537,892 carloads, which is trending 6.6% below last year's pace.

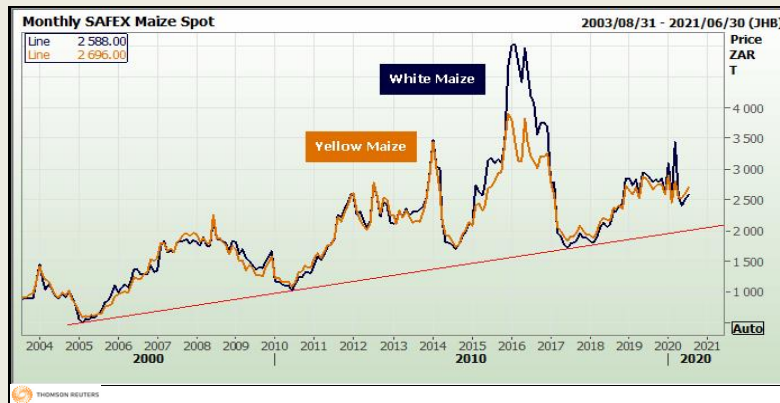
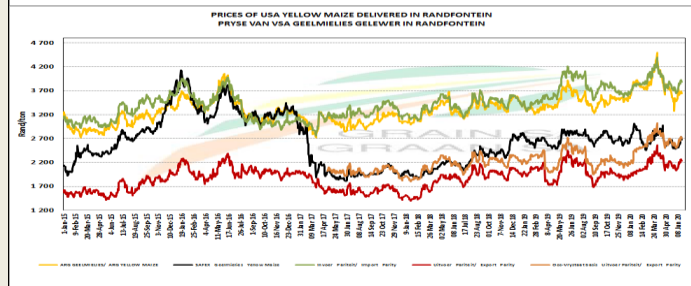
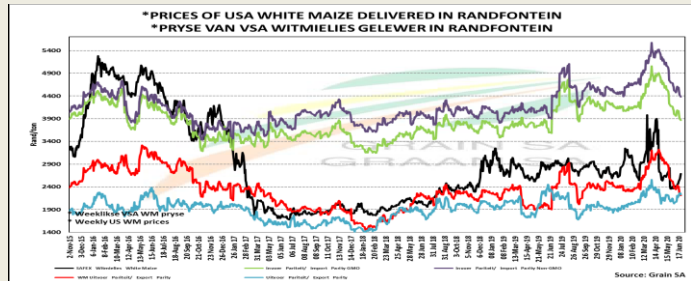
Preliminary volume estimates were for 569,049 contracts, tracking moderately below Tuesday's final count of 853,692.



### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
May 2020				
Jul 2020	R 2 588.00	21.75%	R 1.78	R 2 589.78
Sep 2020	R 2 629.00	20%	R 4.97	R 2 633.97
Dec 2020	R 2 716.00	24%	R 7.58	R 2 723.58
Mar 2021	R 2 743.00	25.5%	R 6.67	R 2 749.67
May 2021	R 2 737.00	0%	R 4.49	R 2 741.49
Jul 2021	R 2 748.00	25%		R 2 748.00
<b>Yellow Maize Future</b>				
May 2020				
Jul 2020	R 2 696.00	22%	R 1.78	R 2 697.78
Sep 2020	R 2 750.00	18%	R 4.97	R 2 754.97
Dec 2020	R 2 829.00	20%	R 7.58	R 2 836.58
Mar 2021	R 2 850.00	19.5%	R 6.67	R 2 856.67
May 2021	R 2 777.00	0%	R 4.49	R 2 781.49
Jul 2021	R 2 778.00	18%		R 2 778.00

The local Maize market traded higher yesterday. The Jul'20 WMAZ contract ended R91.00 up and Jul'20 YMAZ closed R96.00 higher. The Sep'20 WMAZ closed higher by R100.00 and Sep'20 YMAZ ended R95.00 up. The parity move for the Jul'20 Maize contract for yesterday was R6.00 positive.



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## Wheat Market

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

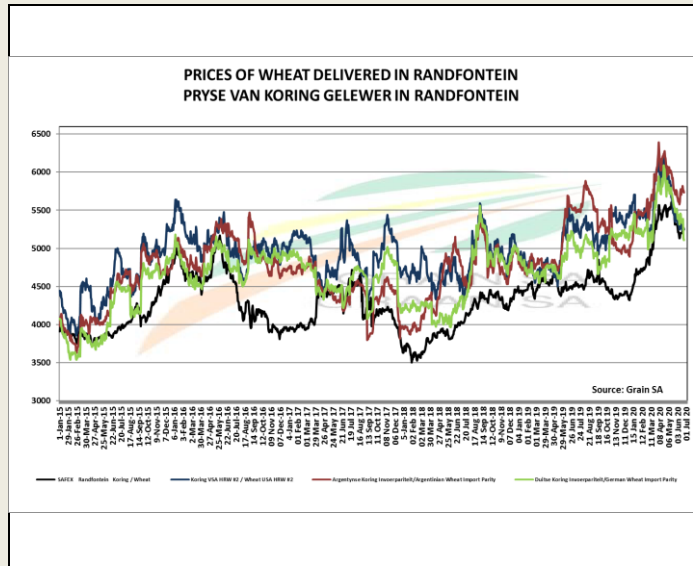
CBOT Wheat									KBOT Wheat							
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm		Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
JUL 2020	493.00	498.75	6.25	5.75	498.25	-0.50	5.25		JUL 2010	436.00	442.50	4.25	6.50	0.00	-442.50	-436.00
SEP 2020	495.00	498.75	5.50	3.75	497.25	-1.50	2.25		SEP 2010	440.00	442.75	4.00	2.75	441.00	-1.75	1.00
DEC 2020	502.00	506.00	5.00	4.00	504.50	-1.50	2.50		DEC 2010	452.00	455.00	4.00	3.00	453.25	-1.75	1.25
MAR 2021	509.00	513.50	3.75	4.50	512.00	-1.50	3.00		MAR 2011	465.00	466.75	4.25	1.75	465.25	-1.50	0.25
MAY 2021	515.00	518.25	3.00	3.25	529.00	10.75	14.00		MAY 2011	472.00	473.75	4.25	1.75	472.00	-1.75	0.00



FarmFutures - Wheat prices were mixed but mostly higher on an uneven round of technical maneuvering Wednesday, split between winter wheat and spring wheat contracts. July Chicago SRW futures rose 8.75 cents to \$4.9875, July Kansas City HRW futures added 7.5 cents to \$4.43, and July MGEX spring wheat futures dropped 3.25 cents to \$5.06. Prior to Thursday morning's weekly export report from USDA, analysts expect the agency to show wheat sales ranging between 9.2 million and 22.0 million bushels for the week ending June 25. The U.S.-Mexico-Canada (USMCA) trade agreement goes into effect today. "After years of hard work, we are excited to see USMCA be put into action. USMCA is not only vital for farmers but essential to help grow the rural economy," says NAWG President and Cass City, Mich., farmer Dave Milligan. "The wheat industry thanks Congress and the Administration for helping to put this trade deal into effect." Click here to catch up on some of the highlights of this landmark agreement. Ukraine has delayed making any rulings about 2020/21 grain export quotas until August 10. As negotiations continue between the country's government and its trade unions, that could prompt a large amount of wheat sales over the next six weeks. Ukraine is one of the world's top wheat exporters and is expecting production to reach 918.6 million bushels this year. Preliminary volume estimates were for 110,870 CBOT contracts, sliding below Tuesday's final count of 126,042.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
May 2020				
Jul 2020	R 5 400.00	18%	R -5.23	R 5 394.77
Sep 2020	R 5 077.00	11.5%	R -24.17	R 5 052.83
Dec 2020	R 4 832.00	12.5%	R -23.14	R 4 808.86
Mar 2021	R 4 920.00	0%	R -20.55	R 4 899.45
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 lower yesterday. The Jul'20 Wheat contract closed R9.00 down and Sep'20 Wheat closed R14.00 lower. The parity move for the Jul'20 Wheat contract for yesterday was R32.00 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	890.00	893.75	0.00	3.75	902.00	8.25
AUG 2020	884.00	891.50	0.00	7.50	892.25	0.75
SEP 2020	882.00	891.25	0.00	9.25	892.00	0.75
NOV 2020	887.00	899.00	-0.50	12.00	899.75	0.75
JAN 2021	888.00	903.50	-0.25	15.50	904.50	1.00

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
JUL 2010	292.7	0.00
AUG 2010	295.5	295.40
SEP 2010	297.9	297.90
OCT 2010	300.1	300.00
DEC 2010	304.6	304.30

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
JUL 2010	28.21	28.21
AUG 2010	28.36	28.50
SEP 2010	28.52	28.66
OCT 2010	28.69	28.83
DEC 2010	29.01	29.16



FarmFutures - Soybean prices followed corn prices higher Wednesday, closing between 1% and 1.5% higher on another round of technical buying today. July futures gained 9.5 cents to \$8.9375, with August futures up 13 cents to \$8.9175.

Soybean basis bids slid 2 to 5 cents lower at two Midwestern processors Tuesday while holding steady elsewhere across the central U.S. today.

Ahead of Thursday morning's weekly export report from USDA, analysts expect the agency to show soybean sales ranging between 22.0 million and 58.8 million bushels for the week ending June 25. Analysts also expect to see soybean sales ranging between 75,000 and 300,000 metric tons last week, plus another 5,000 to 25,000 MT in soybean sales. This year's corn and soybean crops are off to a relatively strong start, but enough overly hot weather in July could knock quality ratings down a peg or two. Some farmers are already feeling some in-season stresses, as reported in our latest Feedback From The Field feature. Click here to catch up on the latest farmer anecdotes and view our interactive map.

In Brazil, trade data shows the country's June soybean exports jumped nearly 61% higher year-over-year to reach 505 million bushels.

Preliminary volume estimates were for 296,165 contracts, drifting below Tuesday's final count of 335,259.

### South African Futures Exchange

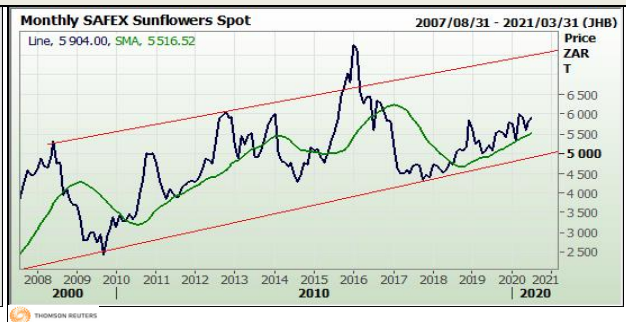
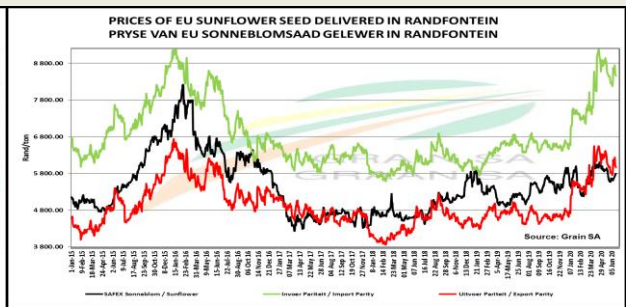
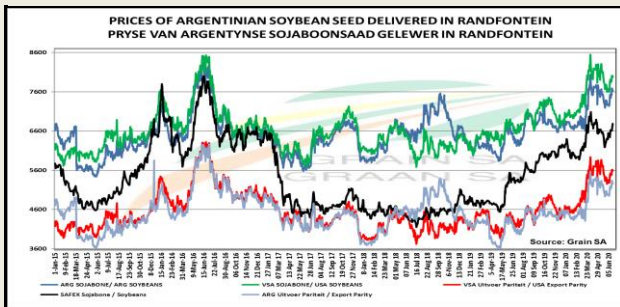
Soybean Future				
	MTM	Vols	Parity Change	Market Price
May 2020				
Jul 2020	R 6 925.00	19%	R 6.34	R 6 931.34
Sep 2020	R 6 996.00	15%	R -5.56	R 6 990.44
Dec 2020	R 7 058.00	15%		R 7 058.00
Mar 2021	R 6 740.00	14%		R 6 740.00
May 2021	R 6 320.00	17%		R 6 320.00
Jul 2021				

Sunflower Seeds Future			
	MTM	Vols	
May 2020			
Jul 2020	R 5 904.00	19%	
Sep 2020	R 6 034.00	11.5%	
Dec 2020	R 6 167.00	15%	
Mar 2021	R 6 083.00	0%	
May 2021	R 5 863.00	0%	
Jul 2021			



The local Soya market traded higher yesterday. The Jul'20 Soya contract ended R120.00 up and Sep'20 Soya closed R121.00 higher. The parity move for the Jul'20 Soya contract for yesterday was R47.00 negative.

The local Suns market closed higher yesterday. The Jul'20 Suns contract closed R69.00 up and Sep'20 Suns closed R84.00 higher.



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