



Fundamental Report

20 July 2020

Financial Markets

Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	16.7071	16.7350	0.0279	0.17%
Euro/Rand	19.0609	19.1058	0.0449	0.24%
GBPound/Rand	20.9481	20.9503	0.0022	0.01%
AusDollar/Rand	11.6682	11.6794	0.0112	0.10%
Euro/USDollar	1.1411	1.1415	0.0004	0.04%
GBPound/USDollar	1.2543	1.2521	-0.0022	-0.18%
AusDollar/USDollar	0.6984	0.6979	-0.0005	-0.07%
JpyYen/USDollar	107.1500	107.3400	0.1900	0.18%

BDLive - The JSE and the rand ended the week higher on Friday amid hope that central banks will introduce more stimulus measures to support global economic recovery. Markets are closely watching the EU summit on Friday as leaders deliberate over a €750bn Covid-19 rescue package.

"Negotiations are expected to be tough from the frugal four [the Netherlands, Denmark, Austria and Sweden], but optimism is high that a breakthrough will be made at the two-day summit," said Oanda market analyst Edward Moya. The US Congress is expected to debate a new stimulus plan next week amid fears that the surge in coronavirus cases could further delay economic recovery as some states go back into lockdown.

Locally, the Reserve Bank is expected to announce the repo rate on Thursday. The median forecast among economists polled by Bloomberg is for the Bank to cut the repo rate by 25 basis points to a record low of 3.50%.



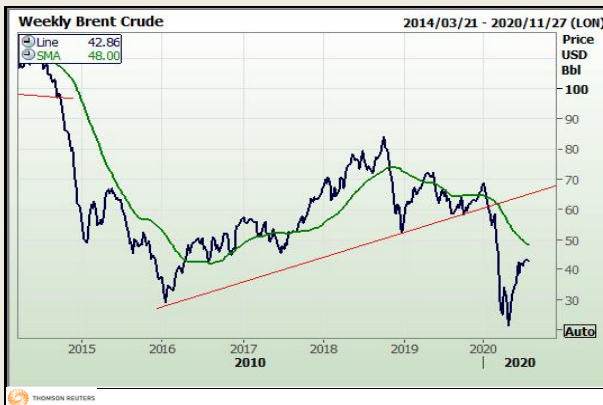
Commodities

	Last	Value Change	% Change
Platinum	834.51	-3.49	-0.42%
Gold	1807.55	-1.35	-0.07%
Silver	19.26	-0.05	-0.25%
Copper	2.89	-0.01	-0.35%
Gasoil	365.00	-2.50	-0.68%
Brent Oil	42.86	-0.28	-0.65%

BDLive - Gold steadied near the \$1,800 level on Friday after a sharp fall in the previous session, as worries over surging coronavirus cases and US-China tensions underpinned its safe-haven appeal, though a stronger dollar capped gains. Spot gold was up 0.1% at \$1,797.52/oz by 2.48am GMT. US gold futures eased 0.1% to \$1,797.30/oz.

"Gold is being held up due to rising geopolitical uncertainty, and a resurgence of coronavirus cases in the US as well as across the world. However, a stronger dollar has kept gold in check," National Australia Bank economist John Sharma said.

The dollar held firm against its rivals, also benefiting from safe-haven inflows. The US reported at least 70,000 new Covid-19 cases on Thursday, a record daily increase for the seventh time this month, according to a Reuters tally.



Financials

	Current Bid	Value Change	% Change
JSE TOP 40	51515.88	0.00	0.00%
ALSI	51852.00	0.00	0.00%
S&P 500	3215.57	9.16	0.28%
FTSE	6250.69	39.61	0.63%
CAC	5069.42	0.00	0.00%
DAX	12919.61	0.00	0.00%
Hang Seng	25089.17	-10.85	-0.04%



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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
SEP 2020	334.00	333.00	-0.50	-1.00	332.00	-1.00	-2.00
DEC 2020	340.00	339.75	-0.25	-0.25	338.75	-1.00	-1.25
MAR 2021	351.00	349.75	-0.50	-1.25	348.75	-1.00	-2.25
MAY 2021	357.00	356.00	-0.75	-1.00	354.50	-1.50	-2.50
JUL 2021	361.00	360.75	-0.50	-0.25	359.25	-1.50	-1.75

FarmFutures - Corn prices stayed firm on Friday, moving almost 1% higher on another round of technical buying spurred by overall export optimism as China has remained a very active buyer of U.S. grain all week. September futures gained 3.25 cents to \$3.3350, while December futures picked up 2.75 cents to \$3.4025.

Corn basis bids were narrowly mixed at two interior river terminals Friday while holding steady elsewhere across the central U.S. today. Farmer sales have been generally slow this week.

The Renewable Fuels Association reports that the U.S. ethanol industry lost \$3.4 billion so far in potential revenues from lower demand earlier this year from the COVID-19 pandemic. The RFA study shows total fallout from the pandemic could cost the ethanol industry \$9 billion through 2021. Click here to learn more.

Brazilian consultancy Safras & Mercado estimates the country's total 2020/21 corn production will rewrite the record books at 4.567 billion bushels. Total acreage could rise around 1% this coming season, reaching 48.51 million acres. A South Korean feedmill group purchased 5.4 million bushels of corn in a deal that closed yesterday. The grain is expected to be sourced from South America or South Africa, with shipment in October and November.

How are your field conditions looking this week? Be sure to participate in our reader survey, which we compile in weekly Feedback From The Field updates that include plenty of farmer anecdotes and an interactive map. Click here to get started.

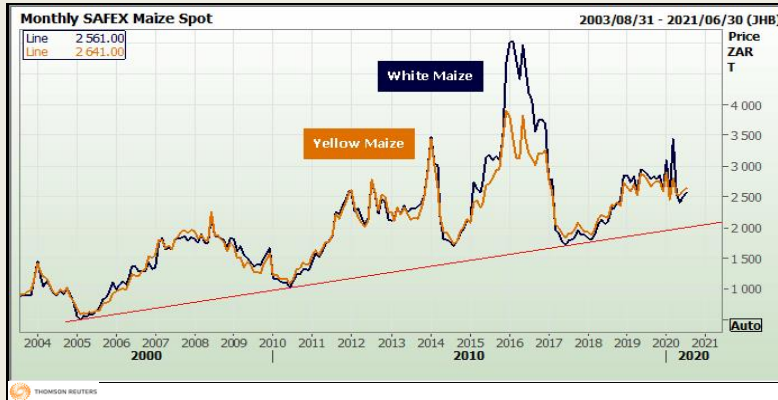
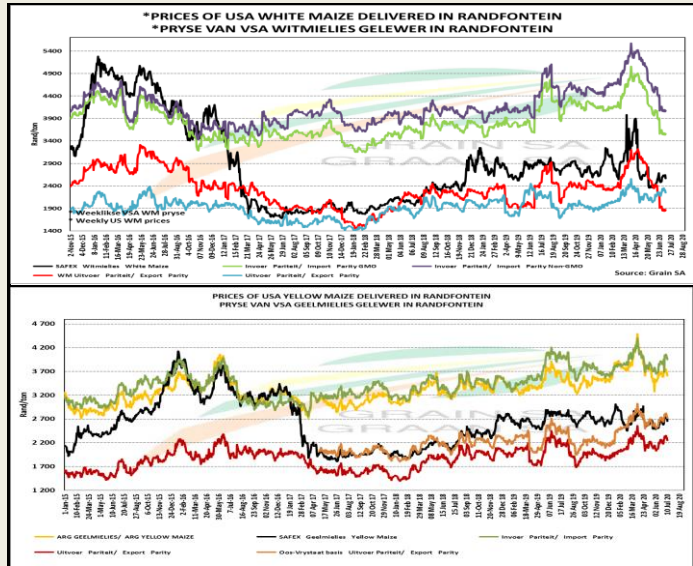
Preliminary volume estimates were for 203,875 contracts, tracking moderately below Thursday's final count of 248,167.



South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
White Maize Future				
May 2020				
Jul 2020	R 2 561.00	21.75%		R 2 561.00
Sep 2020	R 2 579.00	20%	R -9.51	R 2 569.49
Dec 2020	R 2 660.00	24.25%	R -4.50	R 2 655.50
Mar 2021	R 2 681.00	25.5%	R -10.97	R 2 670.03
May 2021	R 2 651.00	0%	R -12.55	R 2 638.45
Jul 2021	R 2 661.00	25%	R -7.56	R 2 653.44
Yellow Maize Future				
May 2020				
Jul 2020	R 2 641.00	22%		R 2 641.00
Sep 2020	R 2 679.00	19.75%	R -9.51	R 2 669.49
Dec 2020	R 2 754.00	19%	R -4.50	R 2 749.50
Mar 2021	R 2 767.00	19.5%	R -10.97	R 2 756.03
May 2021	R 2 674.00	0%	R -12.55	R 2 661.45
Jul 2021	R 2 676.00	18%	R -7.56	R 2 668.44

The local Maize market traded higher yesterday. The Jul'20 WMAZ contract ended R40.00 up and Jul'20 YMAZ closed R30.00 higher. The Sep'20 WMAZ closed higher by R35.00 and Sep'20 YMAZ ended R30.00 up. The parity move for the Jul'20 Maize contract for yesterday was R6.00 negative.

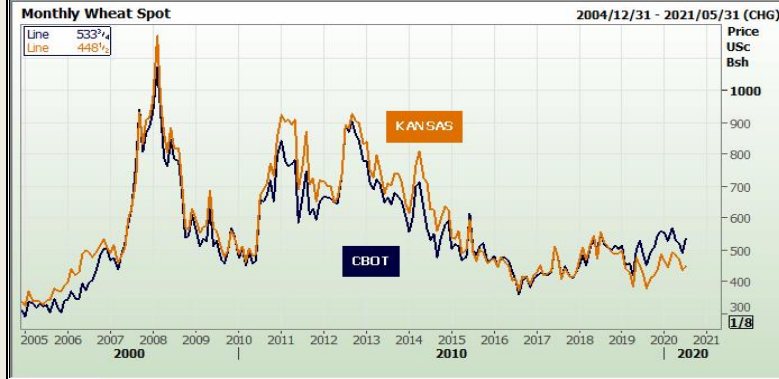


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Wheat Market

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
SEP 2020	535.00	534.75	6.25	-0.25	533.75	-1.00	-1.25		SEP 2010	447.00	448.75	4.25	1.75	448.50	-0.25	1.50
DEC 2020	540.00	540.50	5.50	0.50	539.50	-1.00	-0.50		DEC 2010	459.00	460.00	4.00	1.00	459.50	-0.50	0.50
MAR 2021	547.00	546.25	5.00	-0.75	546.25	0.00	-0.75		MAR 2011	469.00	471.50	4.00	2.50	471.50	0.00	2.50
MAY 2021	549.00	548.50	3.75	-0.50	547.50	-1.00	-1.50		MAY 2011	477.00	478.50	4.25	1.50	478.00	-0.50	-0.50
JUL 2021	545.00	543.25	3.00	-1.75	529.00	-14.25	-16.00		JUL 2011	480.00	483.25	4.25	3.25	483.00	-0.25	-0.25



FarmFutures - Wheat prices were mixed but mostly lower Friday on some mild profit-taking, although losses were largely muted today by lingering concerns over hot, dry weather returning to the Central Plains as well as some production struggles from some major overseas competitors. September Chicago SRW futures slipped 0.25 cents to \$5.35, September Kansas City HRW futures held steady at \$4.4875, and September MGEX spring wheat futures dropped 3.75 cents to \$5.1150.

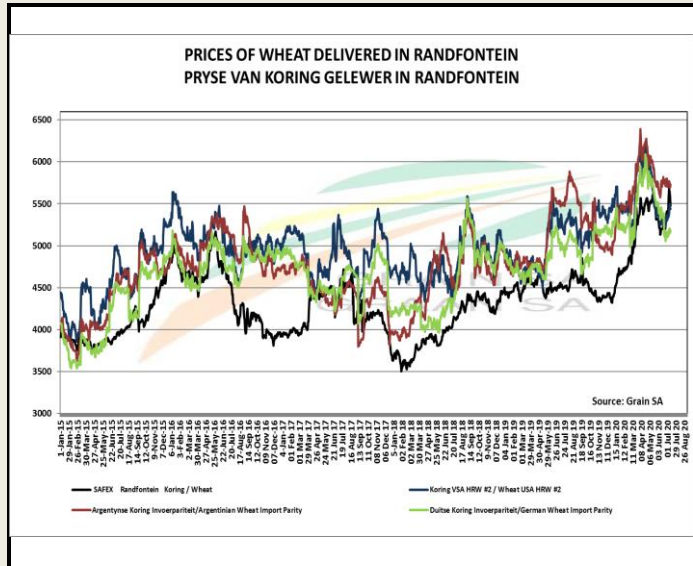
France's 2020 wheat harvest is nearing the halfway mark, reaching 47% completion through July 13 and zooming ahead from the prior week's pace of 11%, according to consultancy FranceAgriMer. France's winter barley crop is now 90% harvested, versus 65% a week ago.

Ukrainian farmers have harvested 305 million bushels of wheat so far, according to the country's economy ministry. However, poor weather during the growing season could lower total grain production 9.5% below last fall's record-breaking harvest.

Preliminary volume estimates were for 84,264 CBOT contracts, spilling moderately below Thursday's final count of 150,962.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
Bread Milling Wheat				
May 2020				
Jul 2020	R 5 796.00	18%		R 5 796.00
Sep 2020	R 5 224.00	11.5%	R -2.20	R 5 221.80
Dec 2020	R 4 830.00	11%	R 2.46	R 4 832.46
Mar 2021	R 4 905.00	0%	R 1.00	R 4 906.00
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 higher yesterday. The Jul'20 Wheat contract closed R96.00 up and Sep'20 Wheat closed R63.00 higher. The parity move for the Jul'20 Wheat contract for yesterday was R1.00 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
AUG 2020	897.00	898.00	0.00	1.00	902.00	4.00
SEP 2020	892.00	892.25	0.00	0.25	895.75	3.50
NOV 2020	895.00	895.00	0.00	0.00	898.50	3.50
JAN 2021	899.00	899.25	-0.50	0.25	903.00	3.75
MAR 2021	895.00	896.00	-0.25	1.00	899.50	3.50

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
AUG 2010	286.5	286.80
SEP 2010	289	289.20
OCT 2010	290.6	290.80
DEC 2010	294.1	294.20
JAN 2011	295.3	295.10

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
AUG 2010	29.92	30.17
SEP 2010	30.08	30.36
OCT 2010	30.23	30.48
DEC 2010	30.54	30.80
JAN 2011	30.74	30.99



FarmFutures - Soybean prices were up again Friday after private exporters reported yet another large sale to USDA this morning (read below for details), which prompted some additional technical buying today. August futures added 4.75 cents to \$8.9825, with September futures up 4.5 cents to \$8.9275.

Soybean basis bids slipped a penny lower at an Illinois river terminal Friday while holding steady across other Midwestern locations today.

For the fourth consecutive day, private exporters reported a large grain sale to USDA. Today's sale was for 4.6 million bushels of soybeans for delivery to unknown destinations during the 2020/21 marketing year, which begins September 1. Multiple large sales reported earlier this week are headed to China and unknown destinations.

Brazilian consultancy Safras & Mercado predicts the country's 2020/21 soybean production will rise 5.4% to reach 4.839 billion bushels. Part of the increase is due to an expected 1.8% bump in acres over 2019/20, with a projection of 93,406 million acres.

Preliminary volume estimates were for 121,970 contracts, trending lower than Thursday's final count of 157,572.

South African Futures Exchange

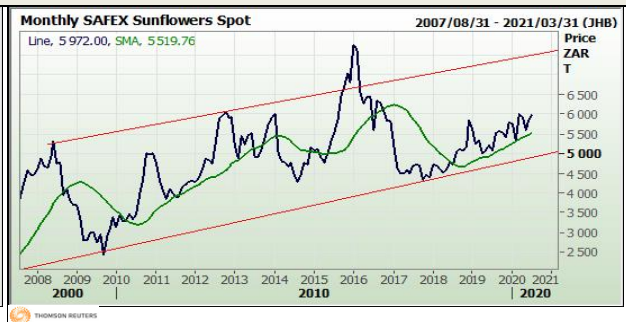
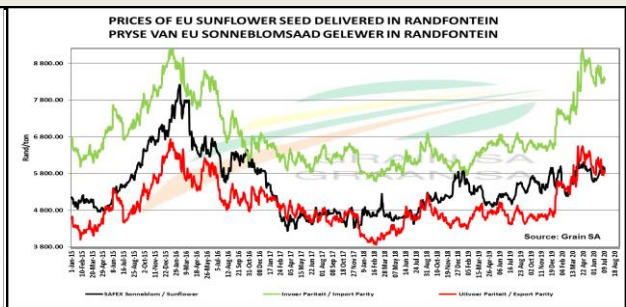
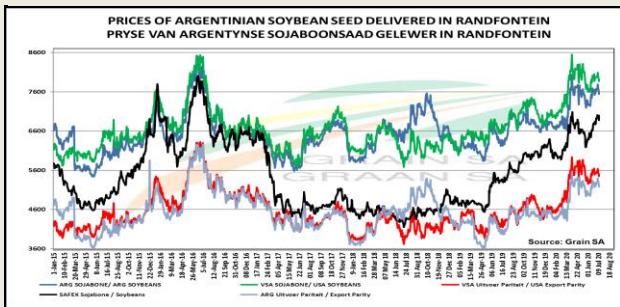
Soybean Future				
	MTM	Vols	Parity Change	Market Price
May 2020				
Jul 2020	R 6 784.00	19%		R 6 784.00
Sep 2020	R 6 829.00	15%	R 32.20	R 6 861.20
Dec 2020	R 6 845.00	15%		R 6 845.00
Mar 2021	R 6 600.00	14%	R 36.85	R 6 636.85
May 2021	R 6 230.00	17%		R 6 230.00
Jul 2021				

Sunflower Seeds Future			
	MTM	Vols	
May 2020			
Jul 2020	R 5 972.00	19%	
Sep 2020	R 6 069.00	11.5%	
Dec 2020	R 6 172.00	15%	
Mar 2021	R 6 115.00	0%	
May 2021	R 5 899.00	0%	
Jul 2021			



The local Soya market traded higher yesterday. The Jul'20 Soya contract ended R44.00 up and Sep'20 Soya closed R49.00 higher. The parity move for the Jul'20 Soya contract for yesterday was R32.00 positive.

The local Suns market closed higher yesterday. The Jul'20 Suns contract closed R63.00 up and Sep'20 Suns closed R49.00 higher.



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