



# **Fundamental Report**

## **23 July 2020**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	16.4548	16.4695	0.0147	0.09%
Euro/Rand	18.9953	19.0627	0.0674	0.35%
GBPound/Rand	20.8576	20.9642	0.1066	0.51%
AusDollar/Rand	11.7601	11.7625	0.0024	0.02%
Euro/USDollar	1.1545	1.1574	0.0029	0.25%
GBPound/USDollar	1.2674	1.2732	0.0058	0.46%
AusDollar/USDollar	0.7146	0.7142	-0.0004	-0.06%
JpyYen/USDollar	106.9700	107.1200	0.1500	0.14%

BDLive - The rand closed weaker on Wednesday as focus shifts to the SA Reserve Bank's latest decision on interest rates, with analysts somewhat divided on the outcome. Despite ending the day weaker, the local currency is still ahead this week, with risk appetite boosted by a possible Covid-19 vaccine and EU stimulus package.

Bank governor Lesetja Kganyago is set to announce the monetary policy committee's (MPC's) latest decision soon after 3pm on Thursday. The Bank has slashed the repo rate by 275 basis points so far this year as central banks globally move to soften the effects of Covid-19 on economies. Some economists expect the Bank to continue its accommodating approach, with GDP expected to shrink an unprecedented 7.2% in 2020.

"Given a muted inflation outlook, and the depressed economic setting, the question is not if the MPC will cut interest rates, but rather by how much," said Cannon Asset Managers CE Adrian Saville.

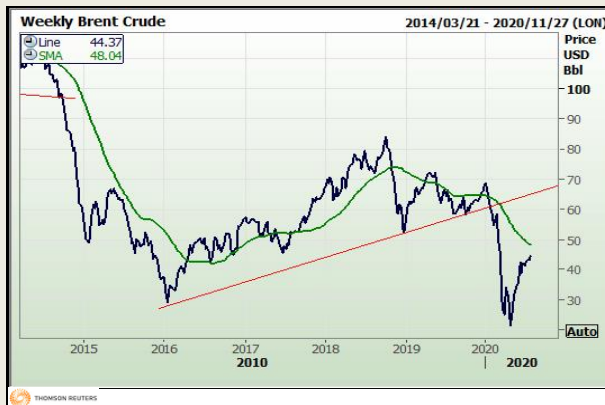


### Commodities

	Last	Value Change	% Change
Platinum	908.99	-12.46	-1.37%
Gold	1867.20	-4.56	-0.24%
Silver	22.52	-0.51	-2.26%
Copper	2.91	-0.01	-0.41%
Gasoil	384.25	5.00	1.30%
Brent Oil	44.38	0.09	0.20%

BDLive - Bengaluru — Gold jumped more than 1% on Wednesday to its highest in nearly nine years, driven by a weaker dollar and as the expectation of more stimulus to resuscitate pandemic-hit economies lifted the metal's appeal as an inflation-hedge. Spot gold was up 0.9% at \$1,857.86/oz by 2.32am GMT, after hitting its highest since September 2011 at \$1,865.35/oz earlier in the session. US gold futures rose 0.8% to \$1,858.20.

"The spectre of these stimulus packages has pushed investors back into non-yielding assets like gold," said ANZ analyst Daniel Hynes. "The likelihood of interest rates remaining low for the foreseeable future and the weaker US dollar have really boosted investor appetite." EU leaders on Tuesday sealed a €750bn recovery plan, while White House officials and top congressional Democrats discussed a next round of relief that would include extended unemployment insurance and more money for schools.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	51412.02	0.00	0.00%
ALSI	51640.00	0.00	0.00%
S&P 500	3257.30	18.72	0.57%
FTSE	6269.73	-62.63	-1.00%
CAC	5037.12	0.00	0.00%
DAX	13104.25	0.00	0.00%
Hang Seng	25057.94	69.91	0.28%



DISCLAIMER: This report has been prepared by GroCapital Financial Services Pty Ltd, a wholly owned subsidiary of AFGRI Operations Limited is provided to you for information purposes only. GROCAPITAL AND AFGRI hereby certify that the views expressed in this report were obtained from sources which GROCAPITAL AND AFGRI consider to be reliable. GROCAPITAL AND AFGRI do not make any representations or give any guarantees or warranties, expressed or implied, as to the correctness, accuracy or completeness of the report. Neither GROCAPITAL AND AFGRI, nor any of their respective officers, directors, partners or employees, shall assume any liability for any losses arising from errors or omissions in the opinions, forecasts or information, irrespective of whether there has been any negligence by GroCapital and AFGRI, their affiliate, or their respective officers, directors, partners or employees, regardless of whether such damages were foreseen or unforeseen. The information contained in this report is confidential and may be subject to legal privilege. This report is not intended to not should it be taken to create any legal relations or contractual relations.

## 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	324.00	327.50	-0.50	3.50	326.75	-0.75	2.75
DEC 2020	332.00	334.75	-0.25	2.75	334.00	-0.75	2.00
MAR 2021	343.00	344.75	-0.50	1.75	344.25	-0.50	1.25
MAY 2021	349.00	351.50	-0.75	2.50	351.00	-0.50	2.00
JUL 2021	355.00	356.50	-0.50	1.50	356.00	-0.50	1.00

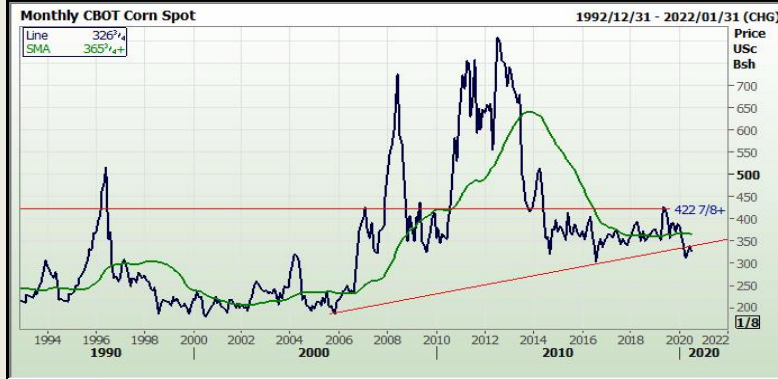
FarmFutures - Corn prices rode a wave of export optimism higher Wednesday, as traders showed high expectations for tomorrow morning's export data dump from USDA. Favorable weather that could drive yields above the trendline of 178.5 bushels per acre is still a limiting factor for a longer-sustained rally, however. September futures gained 4.5 cents to \$3.2725, while December futures picked up 4 cents to \$3.3475.

Corn basis bids were mixed Wednesday, moving as much as 6 cents higher at an Indiana ethanol plant while sliding 1 to 2 cents lower at a handful of other Midwestern locations today.

Ahead of Thursday morning's weekly export report from USDA, analysts expect the agency to show corn sales ranging between 74.8 million and 157.5 million bushels. Even the low end of that range is better than the prior week's tally of 64.4 million bushels.

Ethanol futures have been rising steadily over the past two months but finally slid slightly lower this week, with a daily average of 908,000 barrels for the week ending July 17, versus the prior week's tally of 913,000 daily barrels. September futures still picked up modest gains, ticking up to \$1.163. And if you missed yesterday's Ag Marketing IQ blog, grain market analyst Bryce Knorr investigates the potential for this year's corn crop to meet trendline yields of 178.5 bushels per acre. Click here to learn more.

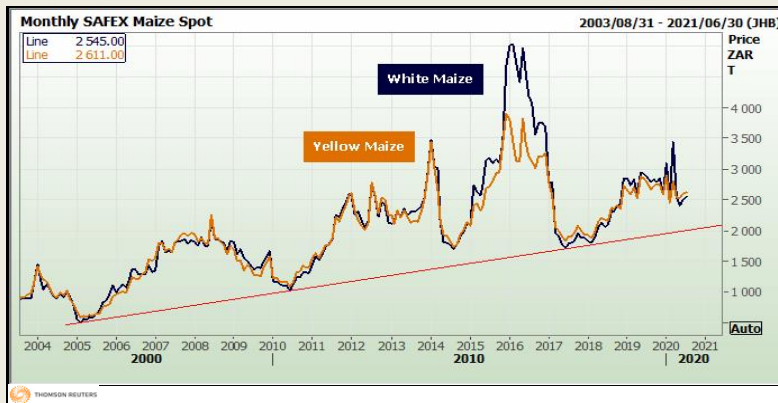
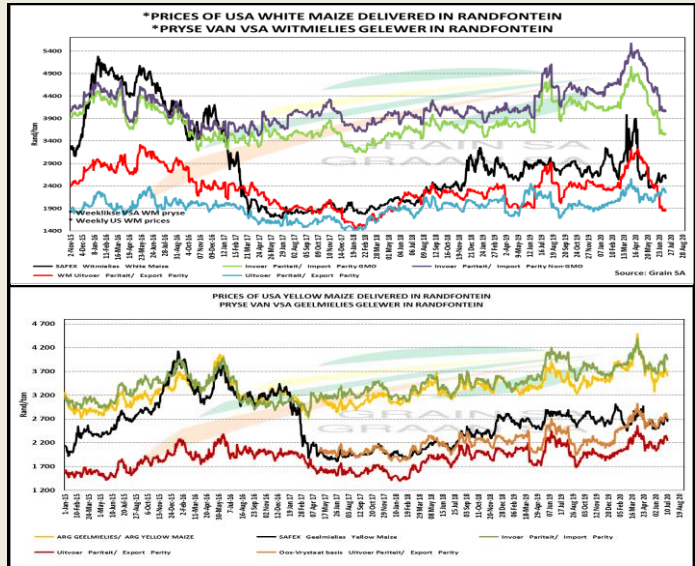
Preliminary volume estimates were for 278,029 contracts, tracking just below Tuesday's final count of 287,116.



### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
May 2020				
Jul 2020	R 2 545.00	21.75%		R 2 545.00
Sep 2020	R 2 558.00	20%	R 19.71	R 2 577.71
Dec 2020	R 2 632.00	24.25%	R 14.89	R 2 646.89
Mar 2021	R 2 659.00	25.5%	R 10.09	R 2 669.09
May 2021	R 2 643.00	0%	R 14.99	R 2 657.99
Jul 2021	R 2 617.00	25%	R 8.54	R 2 625.54
<b>Yellow Maize Future</b>				
May 2020				
Jul 2020	R 2 611.00	22%		R 2 611.00
Sep 2020	R 2 635.00	19.75%	R 19.71	R 2 654.71
Dec 2020	R 2 710.00	19%	R 14.89	R 2 724.89
Mar 2021	R 2 731.00	19.5%	R 10.09	R 2 741.09
May 2021	R 2 659.00	0%	R 14.99	R 2 673.99
Jul 2021	R 2 650.00	18%	R 8.54	R 2 658.54

The local Maize market traded mixed yesterday. The Jul'20 WMAZ contract ended R4.00 up while Jul'20 YMAZ closed R13.00 lower. The Sep'20 WMAZ closed higher by R2.00 while Sep'20 YMAZ ended R16.00 down. The parity move for the Jul'20 Maize contract for yesterday was R18.00 positive.

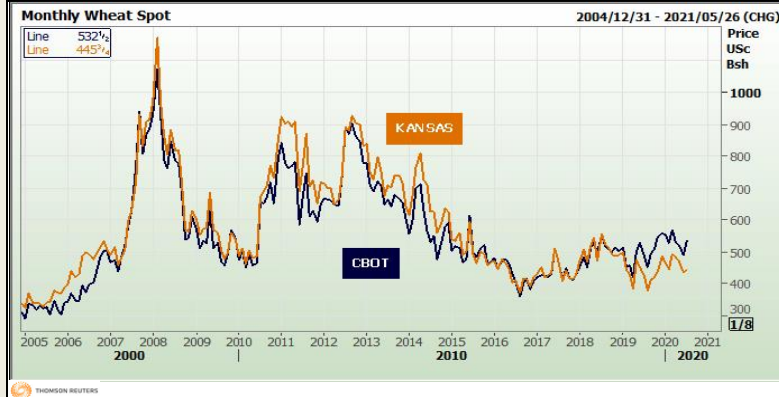


DISCLAIMER: This report has been prepared by GroCapital Financial Services Pty Ltd, a wholly owned subsidiary of AFGRI Operations Limitedis provided to you for information purposes only.GROCAPITAL AND AFGRI hereby certify that the views expressed in this report were obtained from sources which GROCAPITAL AND AFGRI consider to be reliable.GROCAPITAL AND AFGRI do not make any representations or give any guarantees or warranties, expressed or implied, as to the correctness, accuracy or completeness of the report.Neither GROCAPITAL AND AFGRI, nor any affiliate, nor any of their respective officers, directors, partners or employees, shall assume any liability for any losses arising from errors or omissions in the opinions, forecasts or information, irrespective of whether there has been any negligence by GroCapital and AFGRI, their affiliate, or their respective officers, directors, partners or employees, regardless of whether such damages were foreseen or unforeseen. The information contained in this report is confidential and may be subject to legal privilege. This report is not intended to not should it be taken to create any legal relations or contractual relations.

## 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	527.00	534.50	6.25	7.50	532.50	-2.00	5.50		SEP 2010	443.00	448.50	4.25	5.50	445.75	-2.75	2.75
DEC 2020	533.00	539.75	5.50	6.75	538.00	-1.75	5.00		DEC 2010	454.00	459.50	4.00	5.50	456.50	-3.00	2.50
MAR 2021	539.00	545.50	5.00	6.50	544.00	-1.50	5.00		MAR 2011	466.00	470.75	4.00	4.75	467.75	-3.00	1.75
MAY 2021	542.00	548.75	3.75	6.75	547.00	-1.75	5.00		MAY 2011	471.00	477.50	4.25	6.50	0.00	-477.50	-471.00
JUL 2021	538.00	545.50	3.00	7.50	529.00	-16.50	-9.00		JUL 2011	477.00	483.00	4.25	6.00	482.00	-1.00	5.00



FarmFutures - Wheat prices have enjoyed a solid round of gains throughout July, despite a technical correction or two (including the one that happened on Monday). Most contracts were up 1% or more today. September Chicago SRW futures gained 6.25 cents to \$5.34, September Kansas City HRW futures rose 6 cents to \$4.4850, and September MGEX spring wheat futures picked up 3.75 cents to \$5.1425.

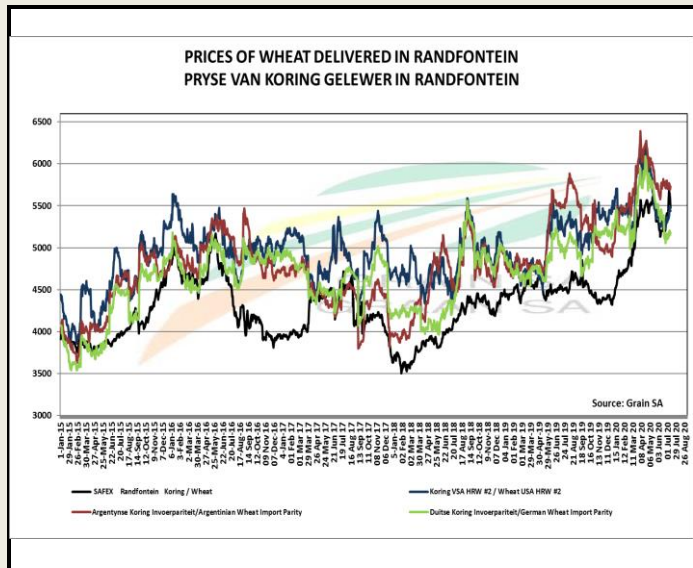
Ahead of Thursday morning's weekly export report from USDA, analysts expect the agency to show wheat sales ranging between 11.0 million and 22.0 million bushels for the week ending July 17. Actuals will need to exceed all trade guesses to match the prior week's total of 28.1 million bushels.

Pakistan has purchased at least 11.0 million bushels of wheat, likely sourced from the Black Sea region, in deals made earlier this month and in June. The grain is for shipment in August and September. Jordan issued a new international tender to purchase 4.4 million bushels of milling wheat from optional origins, which closes July 29. The grain is for shipment in November and December.

Preliminary volume estimates were for 96,981 CBOT contracts, which is fractionally higher than Tuesday's final count of 96,351.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
May 2020				
Jul 2020	R 6 089.00	18%		R 6 089.00
Sep 2020	R 5 181.00	11.5%	R 36.13	R 5 217.13
Dec 2020	R 4 811.00	11%	R 33.14	R 4 844.14
Mar 2021	R 4 902.00	0%	R 33.17	R 4 935.17
May 2021				
Jul 2021				
<b>Cape Wheat</b>				
May 2020				
Jul 2020				
Sep 2020				
Dec 2020				
Mar 2021				
May 2021				
Jul 2021				



The local Weat market closed mixed yesterday. The Jul'20 Weat contract closed R27.00 up while Sep'20 Weat closed R7.00 lower. The parity move for the Jul'20 Weat contract for yesterday was R36.00 positive.



DISCLAIMER: This report has been prepared by GroCapital Financial Services Pty Ltd, a wholly owned subsidiary of AFGRI Operations Limitedis provided to you for information purposes only.GROCAPITAL AND AFGRI hereby certify that the views expressed in this report were obtained from sources which GROCAPITAL AND AFGRI consider to be reliable.GROCAPITAL AND AFGRI do not make any representations or give any guarantees or warranties, expressed or implied, as to the correctness, accuracy or completeness of the report.Neither GROCAPITAL AND AFGRI, nor any affiliate, nor any of their respective officers, directors, partners or employees, shall assume any liability for any losses arising from errors or omissions in the opinions, forecasts or information, irrespective of whether there has been any negligence by GroCapital and AFGRI, their affiliate, or their respective officers, directors, partners or employees, regardless of whether such damages were foreseen or unforeseen. The information contained in this report is confidential and may be subject to legal privilege. This report is not intended to not should it be taken to create any legal relations or contractual relations.

## 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	894.00	899.25	0.00	5.25	902.00	2.75
SEP 2020	888.00	894.00	0.00	6.00	893.50	-0.50
NOV 2020	890.00	895.50	0.00	5.50	894.00	-1.50
JAN 2021	894.00	900.25	-0.50	6.25	898.50	-1.75
MAR 2021	891.00	896.50	-0.25	5.50	894.25	-2.25

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
AUG 2010	286.6	287.60
SEP 2010	289.4	290.30
OCT 2010	290.8	291.80
DEC 2010	294.2	295.20
JAN 2011	295.7	296.90

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
AUG 2010	29.93	29.73
SEP 2010	30.07	29.85
OCT 2010	30.21	29.99
DEC 2010	30.52	30.31
JAN 2011	30.74	30.65



FarmFutures - Soybean prices picked up modest gains Wednesday on the heels of yet another announcement of large sales to China and unknown destinations earlier this morning. August futures added 2.75 cents to \$8.9925, with September futures up 3 cents to \$8.94.

Soybean basis bids firmed 2 cents higher at an Illinois river terminal while holding steady elsewhere across the Midwest today. Ahead of tomorrow morning's weekly export report from USDA, analysts expect the agency to show soybean sales ranging between 47.8 million and 99.2 million bushels for the week ending July 17. Analysts also expect to see soy meal sales ranging between 100,000 and 375,000 metric tons last week, plus another 5,000 to 35,000 MT of soy oil sales.

China continued its flurry of U.S. soybean purchases Wednesday, as private exporters reported to USDA two additional large sales today, totaling 23.8 million bushels. Most of that grain is for delivery during the 2020/21 marketing year, which begins September 1. Private exporters reported to USDA a third large soybean sale this morning, totaling 7.8 million bushels and for delivery to unknown destinations in 2020/21. Preliminary volume estimates were for 159,365 contracts, moving slightly above Tuesday's final tally of 147,963.

### South African Futures Exchange

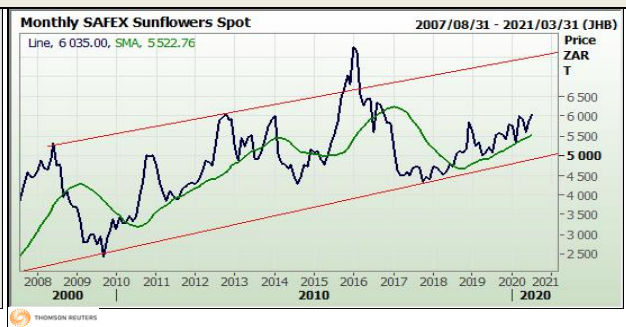
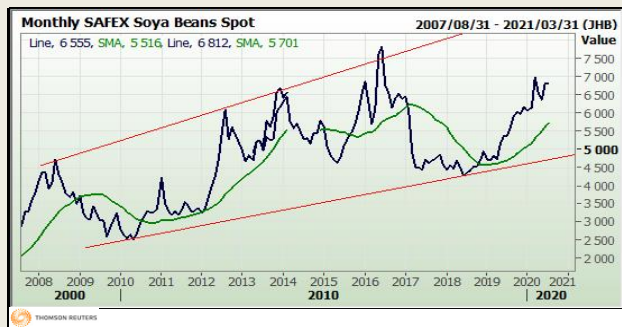
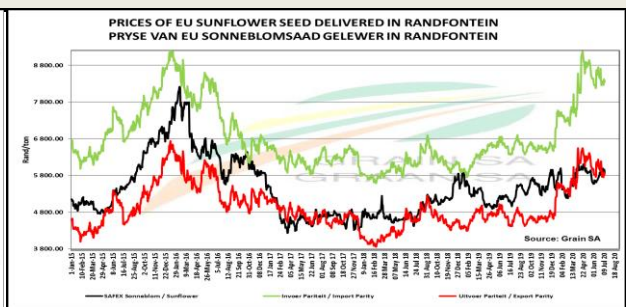
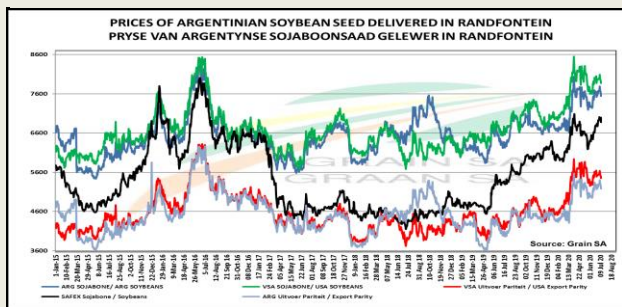
Soybean Future				
	MTM	Vols	Parity Change	Market Price
May 2020				
Jul 2020	R 6 812.00	19%		R 6 812.00
Sep 2020	R 6 835.00	15%	R 38.08	R 6 873.08
Dec 2020	R 6 877.00	15%		R 6 877.00
Mar 2021	R 6 660.00	14%	R 24.48	R 6 684.48
May 2021	R 6 300.00	17%		R 6 300.00
Jul 2021				

Sunflower Seeds Future			
	MTM	Vols	
May 2020			
Jul 2020	R 6 035.00	19%	
Sep 2020	R 6 095.00	11.5%	
Dec 2020	R 6 223.00	15%	
Mar 2021	R 6 147.00	0%	
May 2021	R 5 900.00	0%	
Jul 2021			



The local Soya market traded lower yesterday. The Jul'20 Soya contract ended R31.00 down and Sep'20 Soya closed R41.00 lower. The parity move for the Jul'20 Soya contract for yesterday was R39.00 positive.

The local Suns market closed higher yesterday. The Jul'20 Suns contract closed R7.00 up and Sep'20 Suns closed R5.00 higher.



**DISCLAIMER:** This report has been prepared by GroCapital Financial Services Pty Ltd, a wholly owned subsidiary of AFGRI Operations Limitedis provided to you for information purposes only.GROCAPITAL AND AFGRI hereby certify that the views expressed in this report were obtained from sources which GROCAPITAL AND AFGRI consider to be reliable.GROCAPITAL AND AFGRI do not make any representations or give any guarantees or warranties, expressed or implied, as to the correctness, accuracy or completeness of the report.Neither GROCAPITAL AND AFGRI, nor any affiliate, nor any of their respective officers, directors, partners or employees, shall assume any liability for any losses arising from errors or omissions in the opinions, forecasts or information, irrespective of whether there has been any negligence by GroCapital and AFGRI, their affiliate, or their respective officers, directors, partners or employees, regardless of whether such damages were foreseen or unforeseen. The information contained in this report is confidential and may be subject to legal privilege. This report is not intended to not should it be taken to create any legal relations or contractual relations.