



Fundamental Report

24 July 2020

Financial Markets

Currencies

| Currency | Bid - Yesterday 12pm | Current Bid | Value Change | % Change |
|--------------------|----------------------|-------------|--------------|----------|
| USDollar/Rand | 16.5575 | 16.6600 | 0.1025 | 0.62% |
| Euro/Rand | 19.1838 | 19.3357 | 0.1519 | 0.79% |
| GBPound/Rand | 21.0599 | 21.2317 | 0.1718 | 0.82% |
| AusDollar/Rand | 11.8138 | 11.8303 | 0.0165 | 0.14% |
| Euro/USDollar | 1.1588 | 1.1607 | 0.0019 | 0.16% |
| GBPound/USDollar | 1.2725 | 1.2745 | 0.0020 | 0.16% |
| AusDollar/USDollar | 0.7135 | 0.7101 | -0.0034 | -0.48% |
| JpyYen/USDollar | 107.1600 | 106.4300 | -0.7300 | -0.68% |

BDLive - Bond yields at the long end of the curve fell as the Reserve Bank cut the repo rate for a fifth time in 2020 on Thursday. The yield on the R2030 government bond fell 11 basis points (bps) to 9.12%, reaching an intra-day low of 9.06% after the interest-rate announcement, its lowest since June 9; while that of the 30-year bond fell 22bps to 11.30%, reaching an intra-day low of 11.22%, its lowest since July 1. Bond yields move inversely to their prices.

The Bank cut the repo rate by 25bps to 3.50%, in line with market expectations, with three members of the monetary policy committee voting for a 25bps cut while two voted to keep the rate unchanged. The Bank has cut the repo rate by 300bps so far in 2020 as Covid-19 brought economic activity almost to a halt. "The Bank was pretty clear at its last meeting that we're approaching the end of the cutting cycle. Be that as it may, investors are looking to this as the end of the cycle and, as such, are switching to longer-term bonds. There is quite an aggressive flattening of the curve in what appears to be extremely illiquid market conditions," said Absa head of fixed income James Turp.



Commodities

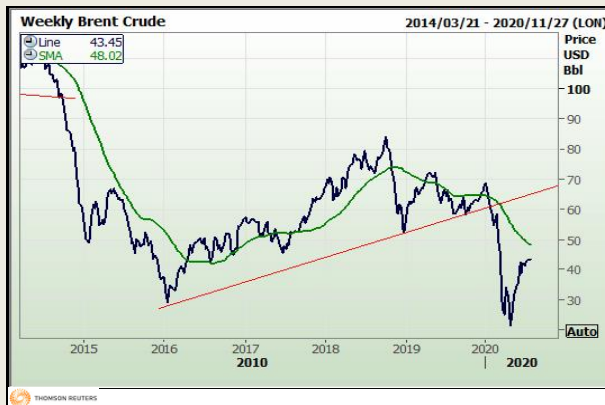
| | Last | Value Change | % Change |
|-----------|---------|--------------|----------|
| Platinum | 909.46 | 4.12 | 0.45% |
| Gold | 1886.52 | -0.34 | -0.02% |
| Silver | 22.64 | -0.08 | -0.36% |
| Copper | 2.90 | -0.04 | -1.24% |
| Gasoil | 377.25 | -0.50 | -0.13% |
| Brent Oil | 43.45 | 0.14 | 0.32% |

BDLive - Bengaluru — Gold eased on Thursday as investors booked profits from a strong rally, but held on to a near nine-year high due to US-China tensions and bets on more global stimulus to support pandemic-hit economies, which could fuel inflation.

Gold was down 0.2% at \$1,867.36/oz by 3.33am GMT, after hitting its highest since September 2011 at \$1,876.16 in early Asian trade. US gold futures rose 0.1% to \$1,867.

"With tension between the US and China rising, US bond yields continuing to edge lower, and a weaker dollar very much in evidence, the case for higher gold prices remains strong," said Jeffrey Halley, a senior market analyst at Oanda.

"Most likely we're seeing some short-term profit-taking in Asia before the uptrend resumes in European hours."



Financials

| | Current Bid | Value Change | % Change |
|------------|-------------|--------------|----------|
| JSE TOP 40 | 51683.61 | 0.00 | 0.00% |
| ALSI | 51963.00 | 0.00 | 0.00% |
| S&P 500 | 3276.02 | -40.36 | -1.23% |
| FTSE | 6207.10 | 4.34 | 0.07% |
| CAC | 5033.76 | 0.00 | 0.00% |
| DAX | 13103.39 | 0.00 | 0.00% |
| Hang Seng | 25263.00 | -390.68 | -1.55% |



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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 | 327.00 | 328.00 | -0.50 | 1.00 | 328.50 | 0.50 | 1.50 |
| DEC 2020 | 334.00 | 335.50 | -0.25 | 1.50 | 336.50 | 1.00 | 2.50 |
| MAR 2021 | 344.00 | 345.50 | -0.50 | 1.50 | 347.00 | 1.50 | 3.00 |
| MAY 2021 | 351.00 | 352.50 | -0.75 | 1.50 | 353.75 | 1.25 | 2.75 |
| JUL 2021 | 356.00 | 357.75 | -0.50 | 1.75 | 359.25 | 1.50 | 3.25 |

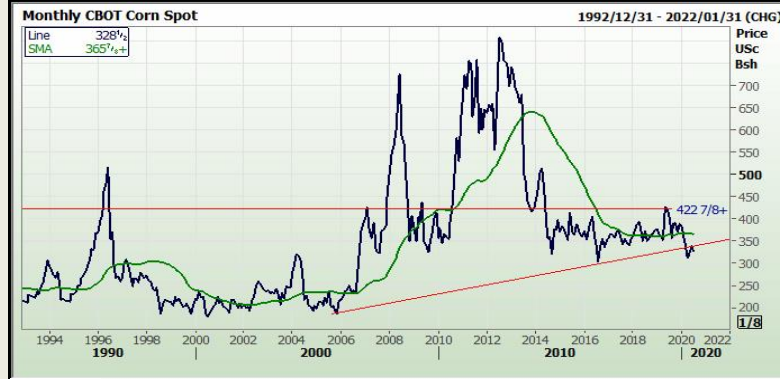
FarmFutures - Corn prices struggled to gain traction Thursday, but a healthy dose of export data from USDA this morning prompted enough technical buying to keep prices in the green today. September futures inched half a penny higher to \$3.28, with December futures up 0.75 cents to \$3.3550.

Corn basis bids firmed 3 cents at an Illinois river terminal but fell 4 cents at an Illinois ethanol plant Thursday, holding steady elsewhere across the central U.S. today.

Old crop corn sales tumbled 76% week-over-week to 8.7 million bushels, but new crop sales jumped to 91.6 million bushels for a total tally of 100.3 million bushels for the week ending July 16. That was still on the lower end of trade guesses, which ranged between 74.8 million and 157.5 million bushels. China dominated all destinations, with 77.2 million bushels. Cumulative totals for the 2019/20 marketing year are still more than 300 million bushels behind last year's pace, reaching 1.458 billion bushels.

Corn export shipments inched 4% above the prior week's total but slipped 13% below the prior four-week average, with 41.4 million bushels. Mexico led all destinations, with 9.3 million bushels. Naomi Blohm describes the short term outlook for grain prices as bearish, but for 2021? "It's better," she says. Find out what has left Blohm feeling more optimistic for prices next year in the latest Ag Marketing IQ blog.

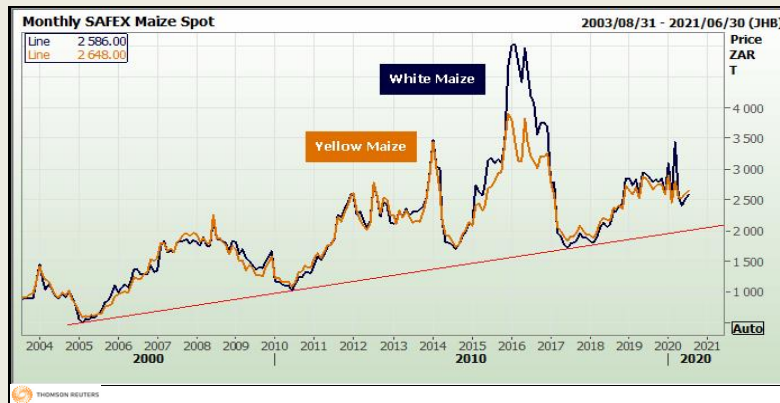
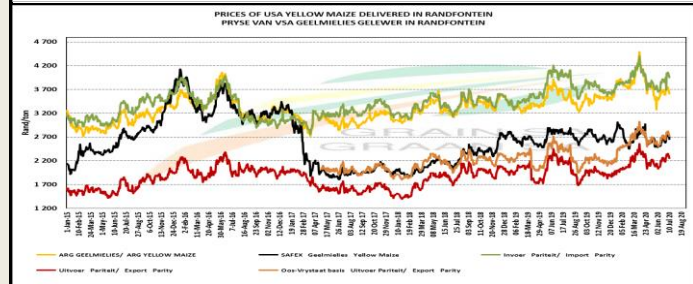
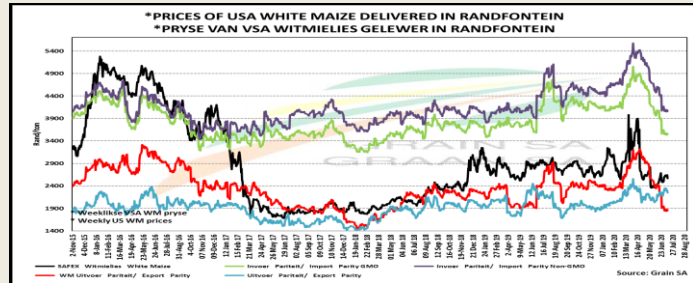
Preliminary volume estimates were for 188,745 contracts, spilling moderately below Wednesday's final count of 278,003.



South African Futures Exchange

| | MTM | Volatility | Parity Change | Parity Price |
|----------------------------|------------|------------|---------------|--------------|
| White Maize Future | | | | |
| May 2020 | | | | |
| Jul 2020 | R 2 586.00 | 21.75% | | R 2 586.00 |
| Sep 2020 | R 2 598.00 | 20% | R 23.03 | R 2 621.03 |
| Dec 2020 | R 2 674.00 | 23.75% | R 29.87 | R 2 703.87 |
| Mar 2021 | R 2 690.00 | 24.5% | R 33.56 | R 2 723.56 |
| May 2021 | R 2 643.00 | 0% | R 32.20 | R 2 675.20 |
| Jul 2021 | R 2 637.00 | 25% | R 35.68 | R 2 672.68 |
| Yellow Maize Future | | | | |
| May 2020 | | | | |
| Jul 2020 | R 2 648.00 | 22% | | R 2 648.00 |
| Sep 2020 | R 2 676.00 | 19.75% | R 23.03 | R 2 699.03 |
| Dec 2020 | R 2 757.00 | 19% | R 29.87 | R 2 786.87 |
| Mar 2021 | R 2 768.00 | 19.5% | R 33.56 | R 2 801.56 |
| May 2021 | R 2 659.00 | 0% | R 32.20 | R 2 691.20 |
| Jul 2021 | R 2 660.00 | 18% | R 35.68 | R 2 695.68 |

The local Maize market traded higher yesterday. The Jul'20 WMAZ contract ended R41.00 up and Jul'20 YMAZ closed R37.00 higher. The Sep'20 WMAZ closed higher by R40.00 and Sep'20 YMAZ ended R41.00 up. The parity move for the Jul'20 Maize contract for yesterday was R28.00 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 |
| SEP 2020 | 534.00 | 529.50 | 6.25 | -4.50 | 532.75 | 3.25 | -1.25 | | SEP 2010 | 447.00 | 441.25 | 4.25 | -5.75 | 443.25 | 2.00 | -3.75 |
| DEC 2020 | 539.00 | 534.75 | 5.50 | -4.25 | 538.25 | 3.50 | -0.75 | | DEC 2010 | 458.00 | 452.25 | 4.00 | -5.75 | 454.00 | 1.75 | -4.00 |
| MAR 2021 | 545.00 | 540.50 | 5.00 | -4.50 | 543.75 | 3.25 | -1.25 | | MAR 2011 | 469.00 | 463.50 | 4.00 | -5.50 | 465.50 | 2.00 | -3.50 |
| MAY 2021 | 548.00 | 543.50 | 3.75 | -4.50 | 546.50 | 3.00 | -1.50 | | MAY 2011 | 478.00 | 470.75 | 4.25 | -7.25 | 471.25 | 0.50 | -6.75 |
| JUL 2021 | 546.00 | 539.50 | 3.00 | -6.50 | 529.00 | -10.50 | -17.00 | | JUL 2011 | 483.00 | 476.25 | 4.25 | -6.75 | 476.25 | 0.00 | -6.75 |



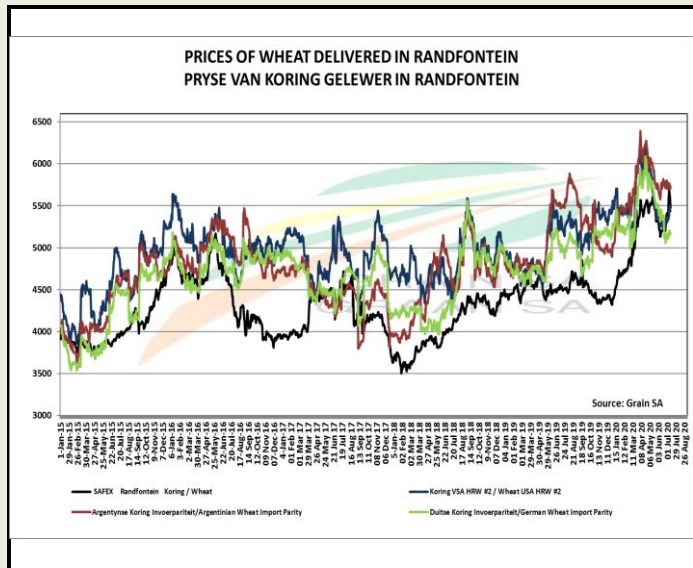
FarmFutures - Wheat prices spilled back into the red Thursday, continuing a volatile pattern this week as traders attempt to balance a variety of fundamentals, including weather, exports, demand, world competition and more. September Chicago SRW futures dropped 4.25 cents to \$5.3025, September Kansas City HRW futures fell 7 cents to \$4.4150, and September MGEX spring wheat futures lost 4.25 cents to \$5.1050.

Wheat export sales rose 24% above the prior four-week average but fell 19% lower week-over-week, with 22.7 million bushels. The tally was still better than all analyst estimates, which ranged between 11.0 million and 22.0 million bushels. China topped all buyers, with 4.7 million bushels. Cumulative totals for the 2020/21 marketing year are now at 125.8 million bushels, trending slightly higher year-over-year. The Philippines purchased 2.0 million bushels of animal feed wheat from optional origins. The grain is for shipment in December.

Preliminary volume estimates were for 75,102 CBOT contracts, trending moderately below Wednesday's final tally of 96,861.

South African Futures Exchange

| | MTM | Volatility | Parity Change | Parity Price |
|----------------------------|------------|------------|---------------|--------------|
| Bread Milling Wheat | | | | |
| May 2020 | | | | |
| Jul 2020 | R 6 131.00 | 18% | | R 6 131.00 |
| Sep 2020 | R 5 120.00 | 11.5% | R 12.46 | R 5 132.46 |
| Dec 2020 | R 4 797.00 | 11% | R 15.71 | R 4 812.71 |
| Mar 2021 | R 4 893.00 | 0% | R 12.87 | R 4 905.87 |
| May 2021 | | | | |
| Jul 2021 | | | | |
| Cape Wheat | | | | |
| 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 R42.00 up while Sep'20 Weat closed R61.00 lower. The parity move for the Jul'20 Weat contract for yesterday was R18.00 positive.



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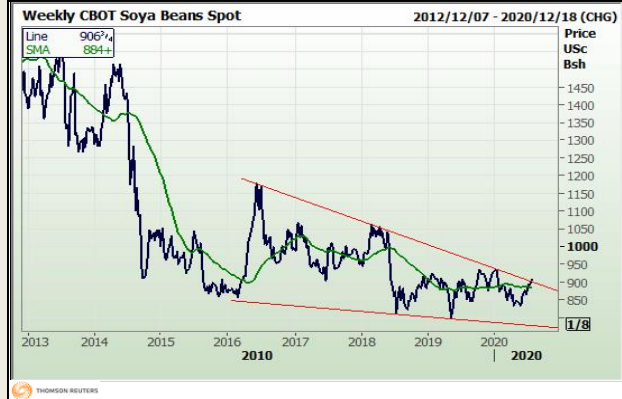
Oil Seed Market

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 | Overnight Change from 12pm |
| AUG 2020 | 903.00 | 906.25 | 0.00 | 3.25 | 902.00 | -4.25 | -1.00 |
| SEP 2020 | 898.00 | 900.75 | 0.00 | 2.75 | 901.00 | 0.25 | 3.00 |
| NOV 2020 | 898.00 | 900.00 | 0.00 | 2.00 | 900.50 | 0.50 | 2.50 |
| JAN 2021 | 903.00 | 905.00 | -0.50 | 2.00 | 905.50 | 0.50 | 2.50 |
| MAR 2021 | 899.00 | 900.75 | -0.25 | 1.75 | 901.00 | 0.25 | 2.00 |

| CBOT Soybean Meal | | |
|-------------------|--------------------|-------------------|
| Month | Main Session Close | Current Overnight |
| AUG 2010 | 290.4 | 291.10 |
| SEP 2010 | 293.1 | 293.90 |
| OCT 2010 | 294.6 | 295.80 |
| DEC 2010 | 297.9 | 298.60 |
| JAN 2011 | 299.4 | 300.30 |

| CBOT Soybean Oil | | |
|------------------|--------------------|-------------------|
| Month | Main Session Close | Current Overnight |
| AUG 2010 | 29.79 | 29.69 |
| SEP 2010 | 29.92 | 29.81 |
| OCT 2010 | 30.05 | 29.95 |
| DEC 2010 | 30.36 | 30.26 |
| JAN 2011 | 30.58 | 30.59 |



FarmFutures - Soybean prices rose moderately Thursday on export optimism after private exporters announced another large sale to China this morning, although worries over U.S.-China trade tensions still lurk in the background. August futures rose 7.5 cents to \$9.0675, with September futures up 7.25 cents to \$9.0125.

Soybean basis bids slid 2 cents lower at an Illinois river terminal Thursday while holding steady across other Midwestern locations today.

Old crop soybean export sales were relatively disappointing last week, with 13.4 million bushels, but new crop sales surged to 90.6 million bushels for a total of 104.0 million bushels. That surpassed all trade guesses, which ranged between 47.8 million and 99.2 million bushels. China accounted for more than half of the total, with 62.3 million bushels. Cumulative sales for the 2019/20 marketing year are still running a bit behind last year's pace, with 1.426 billion bushels. European Union soybean imports so far in the 2020/21 marketing year have reached 29.1 million bushels, which is trending 16% below last year's pace so far. EU soybean imports are also down 24% year-over-year, with EU palm oil imports trending down 25%.

Preliminary volume estimates were for 138,434 contracts, trending below Wednesday's final count of 158,365.

South African Futures Exchange

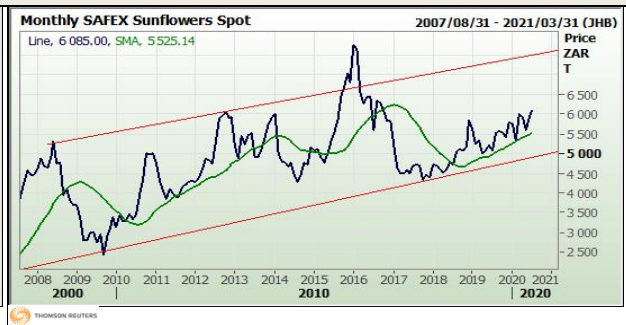
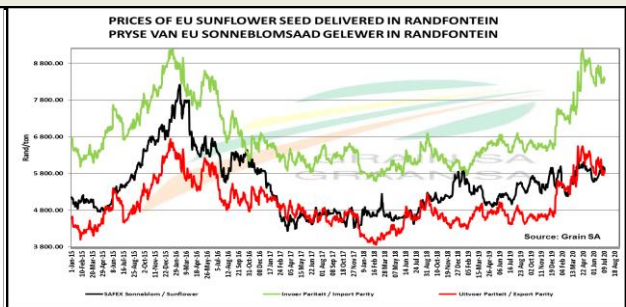
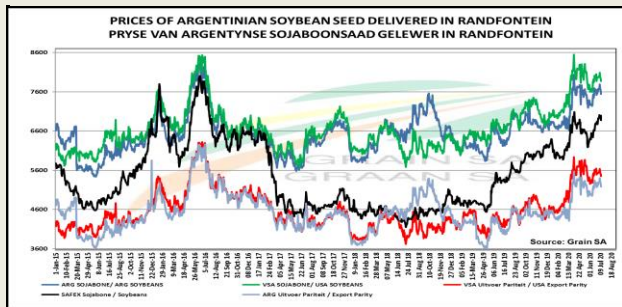
| Soybean Future | | | | |
|----------------|------------|------|---------------|--------------|
| | MTM | Vols | Parity Change | Market Price |
| May 2020 | | | | |
| Jul 2020 | R 6 875.00 | 19% | | R 6 875.00 |
| Sep 2020 | R 6 908.00 | 15% | R 52.19 | R 6 960.19 |
| Dec 2020 | R 6 946.00 | 15% | | R 6 946.00 |
| Mar 2021 | R 6 700.00 | 14% | R 46.10 | R 6 746.10 |
| May 2021 | R 6 300.00 | 17% | | R 6 300.00 |
| Jul 2021 | | | | |

| Sunflower Seeds Future | | | |
|------------------------|------------|-------|--|
| | MTM | Vols | |
| May 2020 | | | |
| Jul 2020 | R 6 085.00 | 19% | |
| Sep 2020 | R 6 150.00 | 11.5% | |
| Dec 2020 | R 6 276.00 | 15% | |
| Mar 2021 | R 6 185.00 | 0% | |
| May 2021 | R 5 900.00 | 0% | |
| Jul 2021 | | | |



The local Soya market traded higher yesterday. The Jul'20 Soya contract ended R63.00 up and Sep'20 Soya closed R73.00 higher. The parity move for the Jul'20 Soya contract for yesterday was R60.00 positive.

The local Suns market closed higher yesterday. The Jul'20 Suns contract closed R50.00 up and Sep'20 Suns closed R55.00 higher.



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