



Fundamental Report

13 August 2020

Financial Markets

Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	17.3996	17.4495	0.0499	0.29%
Euro/Rand	20.4685	20.6069	0.1384	0.68%
GBPound/Rand	22.7013	22.7931	0.0918	0.40%
AusDollar/Rand	12.4154	12.5078	0.0924	0.74%
Euro/USDollar	1.1764	1.1808	0.0044	0.37%
GBPound/USDollar	1.3048	1.3059	0.0011	0.08%
AusDollar/USDollar	0.7135	0.7168	0.0033	0.46%
JpyYen/USDollar	106.8000	106.6800	-0.1200	-0.11%

BDLive - The share price for wine and spirit maker Distell had its best day in nearly three months on Wednesday amid speculation that the government may lift the ban on alcohol sales. TimesLIVE wrote that the lockdown could be eased to level 2 if the national coronavirus command council accepts a recommendation made by directors-general for the reopening of more sectors of the economy.

President Cyril Ramaphosa could address SA by the end of the week amid pressure to ease restrictions on the sale of alcohol and cigarettes, according to some sources.

Distell's share price gained 4.69% to R73.28, its best day since May 25 when the government lifted the first ban on alcohol sales. Hospitality and gaming stocks also surged on Wednesday, as the industry has been hard hit by the lockdown due to travel restrictions.



Commodities

	Last	Value Change	% Change
Platinum	941.36	10.12	1.07%
Gold	1935.42	17.61	0.91%
Silver	25.82	0.26	1.02%
Copper	2.87	-0.02	-0.66%
Gasoil	380.00	1.75	0.46%
Brent Oil	45.38	-0.05	-0.11%

BDLive - Bengaluru — Gold fell below the \$1,900/oz level on Wednesday as a resurgent dollar prompted investors to reassess their positions after a record-breaking price rally. Spot gold declined as much as 2% to an almost three-week low of \$1,872.19, resuming its free fall after a brief hiatus in early trade. It was down 1.1% to \$1,889.59 by 3.30am GMT, extending losses after a 6% plunge on Tuesday.

US gold futures slid 2.4% to \$1,900. Silver too joined the slide, falling 2.8% to \$24.11/oz after a 15% slump in the previous session.

"It looks like some of the euphoria is coming out of the gold market", with a test of support around \$1,800 now looking possible, IG Markets analyst Kyle Rodda said. "A lot hinges on US yields and the factors driving them at the moment. Also, dollar's strength will be something very important to watch over the next few days and weeks."



Financials

	Current Bid	Value Change	% Change
JSE TOP 40	53126.54	0.00	0.00%
ALSI	53315.00	0.00	0.00%
S&P 500	3333.69	46.66	1.40%
FTSE	6154.34	125.78	2.04%
CAC	5073.31	0.00	0.00%
DAX	13058.63	0.00	0.00%
Hang Seng	25244.02	-44.22	-0.18%



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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	312.00	314.50	-0.50	2.50	319.25	4.75	7.25
DEC 2020	324.00	327.25	-0.25	3.25	332.00	4.75	8.00
MAR 2021	335.00	338.75	-0.50	3.75	343.25	4.50	8.25
MAY 2021	343.00	346.50	-0.75	3.50	351.00	4.50	8.00
JUL 2021	349.00	352.75	-0.50	3.75	356.75	4.00	7.75

FarmFutures - Corn: Corn futures initially dropped on news of record yields and crop sizes following the release of today's WASDE report, but later rebounded on improving exports and demand prospects in the 2020/21 crop year. Traders also priced in 10 million acres of damaged corn in Iowa following Monday's derecho wind storms. Cash corn prices rose on the Mississippi River leading up to this morning's report, foreshadowing strong export demand forecasts for old crop corn. Basis widened \$0.02/bushel to \$0.14 below September futures prices at a Council Bluffs, Iowa ethanol plant. Cash sales were slow leading up to WASDE's release.

The U.S. will likely produce the largest corn crop on record after the USDA projected record-breaking yields for both row crops in today's latest WASDE report. Corn yields are expected to rise 14.4 bushels per acre (bpa) to 181.8 in the 2020 crop year. The record high yield surpassed the previous high of 176.6 set in 2017. USDA's estimates came in about 3.3 bpa higher than previous trendline projections despite a dry growing season across many areas of the Corn Belt. The week also marked the third consecutive week EIA reported ethanol imports. This week's total of 1 million gallons/day of ethanol shipments loaded into U.S. ports brings the three-week total of ethanol imports to 2.6 million gallons/day. While this may not be a substantial amount, it could be indicative of rising production costs relative to foreign biofuel producers.

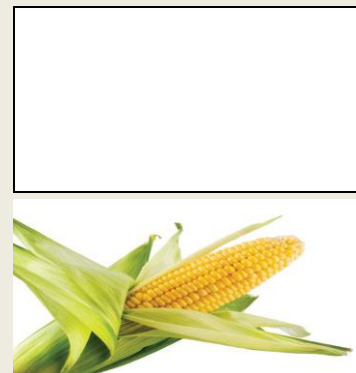
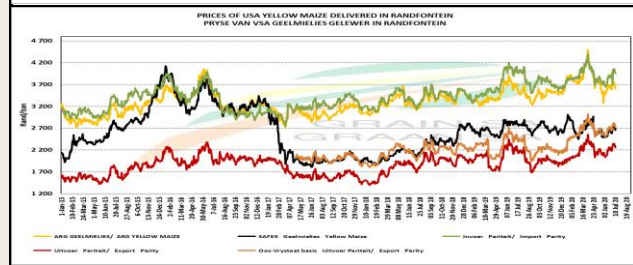
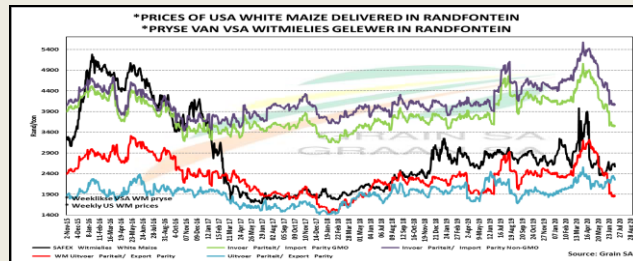
However, ethanol demand from refineries for blending inched up 2% on the week to 36.2 million gallons/day, following a 11-million-gallon/day increase in gasoline demand to 373.1 million gallons/day – the highest level since early March 2020.



South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
White Maize Future				
May 2020				
Jul 2020				
Sep 2020	R 2 793.00	20%	R 55.93	R 2 848.93
Dec 2020	R 2 871.00	26.25%	R 61.32	R 2 932.32
Mar 2021	R 2 865.00	25%	R 63.25	R 2 928.25
May 2021	R 2 765.00	0%	R 61.69	R 2 826.69
Jul 2021	R 2 727.00	24%	R 60.09	R 2 787.09
Yellow Maize Future				
May 2020				
Jul 2020				
Sep 2020	R 2 844.00	19.75%	R 55.93	R 2 899.93
Dec 2020	R 2 926.00	19%	R 61.32	R 2 987.32
Mar 2021	R 2 904.00	20%	R 63.25	R 2 967.25
May 2021	R 2 782.00	0%	R 61.69	R 2 843.69
Jul 2021	R 2 772.00	18%	R 60.09	R 2 832.09

The local Maize market traded lower yesterday. The Aug'20 WMAZ contract ended R50.00 down and Aug'20 YMAZ closed R40.00 lower. The Sep'20 WMAZ closed lower by R44.00 and Sep'20 YMAZ ended R43.00 down. The parity move for the Aug'20 Maize contract for yesterday was R56.00 positive.

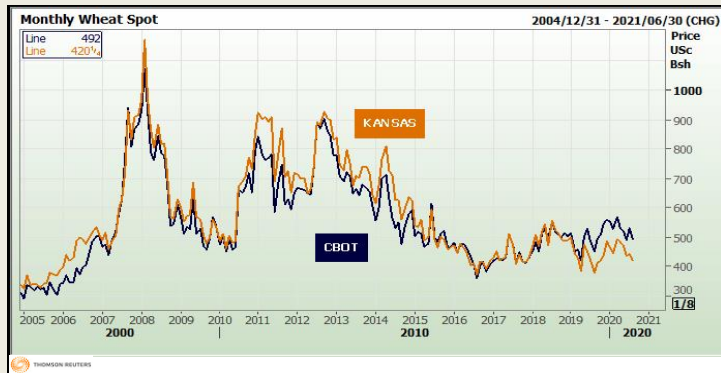


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Wheat Market

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	491.00	491.25	6.25	0.25	492.00	0.75	1.00	SEP 2010	414.00	417.75	4.25	3.75	420.25	2.50	6.25
DEC 2020	500.00	500.00	5.50	0.00	500.50	0.50	0.50	DEC 2010	425.00	429.00	4.00	4.00	431.25	2.25	6.25
MAR 2021	507.00	507.25	5.00	0.25	507.75	0.50	0.75	MAR 2011	436.00	438.75	4.00	2.75	440.75	2.00	4.75
MAY 2021	512.00	512.75	3.75	0.75	513.25	0.50	1.25	MAY 2011	444.00	446.50	4.25	2.50	448.25	1.75	4.25
JUL 2021	517.00	517.00	3.00	0.00	529.00	12.00	12.00	JUL 2011	453.00	454.00	4.25	1.00	455.25	1.25	2.25



FarmFutures - Wheat: Wheat prices ended the trading session mixed, as higher than expected global supplies and stiff competition from Russia and the European Union weighed on futures prices in Chicago. Minneapolis futures echoed the sentiment, with losses underpinned by rising spring wheat production forecasts. Kansas City futures benefited from reduced yield estimates and a weakening dollar as the ICE Dollar Index weakened 0.18% to \$93.430.

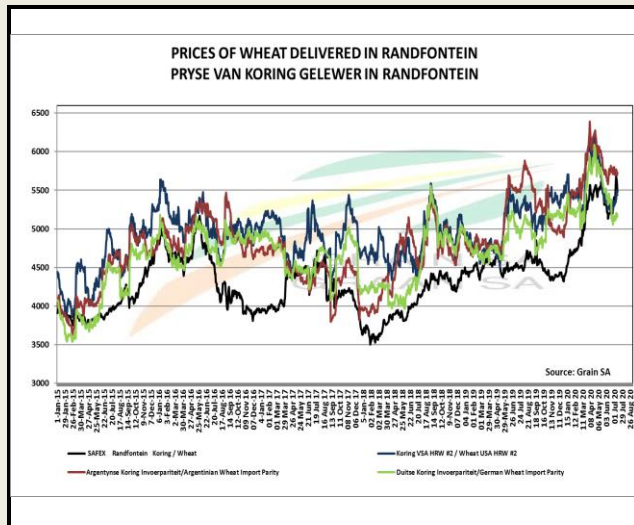
Cash wheat prices for soft and hard red winter varieties were mostly flat across the Midwest and Southern Plains. Cash sales were scarce this morning as farmers awaited news of widening supplies.

Despite historically low wheat acreage planted this year, the 2020/21 wheat crop was forecasted 14 million bushels higher than last month to 1.838 billion bushels on strong projections for spring wheat.

After a historically large drop in second quarter wheat milling in the U.S. this year, USDA cut human food consumption demand for wheat by 4 million bushels to 960 million bushels.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
Bread Milling Wheat				
May 2020				
Jul 2020				
Sep 2020	R 5 329.00	13.5%	R 15.41	R 5 344.41
Dec 2020	R 4 919.00	11%	R 12.37	R 4 931.37
Mar 2021	R 5 027.00	0%	R 14.10	R 5 041.10
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 Aug'20 Wheat contract closed R10.00 up while Sep'20 Wheat closed R41.00 lower. The parity move for the Aug'20 Wheat contract for yesterday was R21.00 positive.



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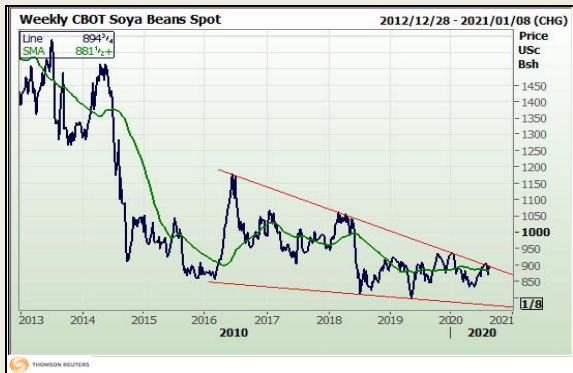
Oil Seed Market

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	876.50	890.50	0.00	14.00	902.00	11.50	25.50
SEP 2020	870.00	880.50	0.00	10.50	886.00	5.50	16.00
NOV 2020	873.00	883.00	0.00	10.00	889.25	6.25	16.25
JAN 2021	878.00	887.75	-0.50	9.75	894.00	6.25	16.00
MAR 2021	881.00	889.25	-0.25	8.25	896.00	6.75	15.00

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
AUG 2020	282.2	0.00
SEP 2020	284.2	286.30
OCT 2020	286.1	288.00
DEC 2020	289.8	291.70
JAN 2021	290.9	292.90

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
AUG 2020	32	0.00
SEP 2020	31.56	31.72
OCT 2020	31.43	31.56
DEC 2020	31.55	31.69
JAN 2021	31.71	31.85



FarmFutures - Soybeans: A forecast for the second-largest soybean harvest on record came in as traders expected, leading soybean futures to climb substantially as traders scrambled to cover previously sold positions. Another daily flash soybean sale to China underpinned strengthening futures prices, especially as soy import projections to China increased. "We went into the report at the bottom of the ranges and pretty heavily sold," said Matt Wiegand, commodity broker for FuturesOne. "When we decided that we weren't going lower, that gave shorts some incentive to come in and take some profits."

Strong processing demand, as indicated in today's WASDE reports, led cash soybean prices higher across the Midwest today. Steady export demand at the Gulf strengthened basis slightly on the Mississippi River, while international demand eased on Lake Erie. Farmer sales were scarce this morning as growers awaited WASDE results.

Soymeal cash bids were mostly flat, though futures low prices had inspired many buyers to lock in pricing earlier this week. Cash sales were quiet this morning as growers, middlemen, and end users anticipated possible WASDE outcomes.

South African Futures Exchange

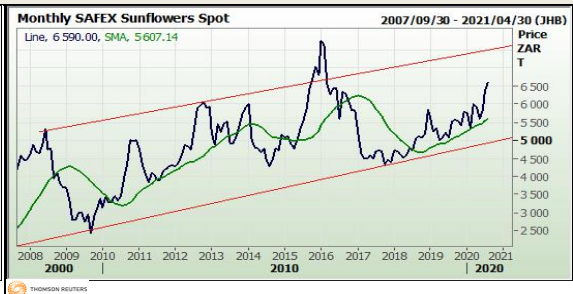
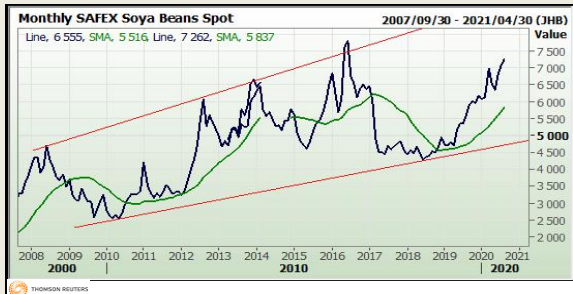
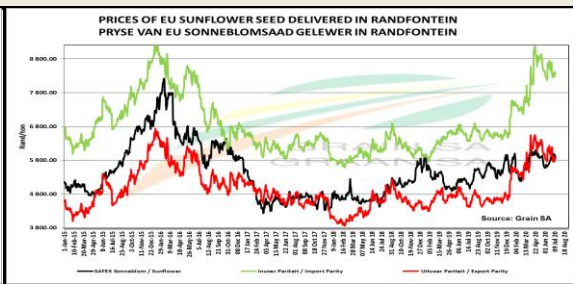
Soybean Future				
	MTM	Vols	Parity Change	Market Price
May 2020				
Jul 2020				
Sep 2020	R 7 276.00	15%	R 118.54	R 7 394.54
Dec 2020	R 7 315.00	15%		R 7 315.00
Mar 2021	R 7 080.00	15.5%	R 112.33	R 7 192.33
May 2021	R 6 625.00	17%		R 6 625.00
Jul 2021				

Sunflower Seeds Future		
	MTM	Vols
May 2020		
Jul 2020		
Sep 2020	R 6 649.00	11.5%
Dec 2020	R 6 724.00	15%
Mar 2021	R 6 560.00	0%
May 2021	R 6 160.00	21.5%
Jul 2021		



The local Soya market traded lower yesterday. The Aug'20 Soya contract ended R38.00 down and Sep'20 Soya closed R61.00 lower. The parity move for the Aug'20 Soya contract for yesterday was R125.00 positive.

The local Suns market closed lower yesterday. The Aug'20 Suns contract closed R71.00 down and Sep'20 Suns closed R77.00 lower.



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