



# **Fundamental Report**

## **21 September 2020**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	16.1214	16.2698	0.1484	0.92%
Euro/Rand	19.1037	19.3081	0.2044	1.07%
GBPound/Rand	20.9340	21.0778	0.1438	0.69%
AusDollar/Rand	11.7828	11.9079	0.1251	1.06%
Euro/USDollar	1.1849	1.1866	0.0017	0.14%
GBPound/USDollar	1.2983	1.2958	-0.0025	-0.19%
AusDollar/USDollar	0.7306	0.7319	0.0013	0.18%
JpyYen/USDollar	104.2900	104.3100	0.0200	0.02%

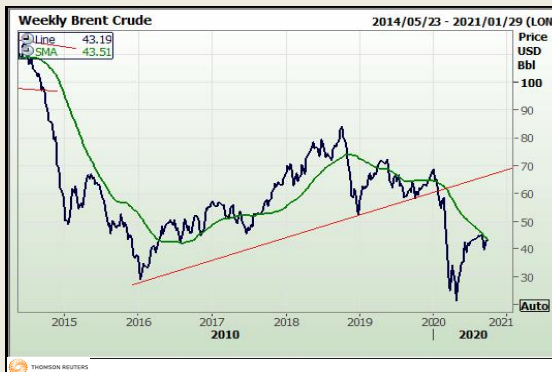
BDLive - The rand has had its first weekly gain in three as attention remained on central banks this week. The local currency strengthened for four days, supported by hope for dovish signals from the US Federal Reserve and the SA Reserve Bank keeping interest rates unchanged. However, it weakened on Friday. Stocks struggled on Friday as worries about a resurgence in coronavirus cases and lingering disappointment that central banks merely affirmed their monetary support this week, without promising new stimulus, kept investors wary. Oil rose after oil cartel Opec flagged a crackdown on members that did not cut output, and the dollar was back to the bottom of its recent range following its brief journey higher after Wednesday's US Federal Reserve meeting. The Fed promised to keep rates low for a long time, but gave no new hints about any further monetary support. The Bank of England and the Bank of Japan sounded more open to further stimulus on Thursday but also took no action. Tensions in Asia also bubbled up after Taiwan scrambled fighter jets as multiple Chinese aircraft approached the island during Chinese military exercises.



### Commodities

	Last	Value Change	% Change
Platinum	936.88	9.08	0.97%
Gold	1952.99	3.30	0.17%
Silver	26.82	0.06	0.21%
Copper	3.11	0.00	-0.11%
Gasoil	338.50	-1.25	-0.37%
Brent Oil	43.19	0.04	0.09%

BDLive - Bengaluru — Gold prices rose on Friday as gloomy US jobs data cast a shadow over the economic outlook, and major central banks pledged to roll out further stimulus if required to revive their coronavirus-battered economies. Spot gold climbed 0.5% to \$1,951.32/oz by 3.48am GMT, having fallen to a one-week low in the previous session. It has gained 0.5% so far this week. US gold futures were 0.5% higher at \$1,959/oz. "Virus concerns are still weighing down on economic recovery and when you look at a lot of economic data it looks like it's moderating but there is still tremendous damage," said Edward Moya, a senior market analyst at broker Oanda. "There's still going to be need for more support."



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	50399.16	0.00	0.00%
ALSI	50527.00	0.00	0.00%
S&P 500	3357.01	-37.54	-1.12%
FTSE	6049.92	-42.87	-0.71%
CAC	4978.18	0.00	0.00%
DAX	13116.25	0.00	0.00%
Hang Seng	24455.41	-232.32	-0.95%



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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
DEC 2020	378.00	378.50	The record	0.50	378.25	-0.25	0.25
MAR 2021	386.00	387.50	The record	1.50	387.00	-0.50	1.00
MAY 2021	391.00	392.75	The record	1.75	392.00	-0.75	1.00
JUL 2021	394.00	395.50	The record	1.50	395.00	-0.50	1.00
SEP 2021	386.00	388.25	The record	2.25	387.50	-0.75	1.50

FarmFutures - Corn prices made moderate inroads again today, closing nearly 1% higher on a round of technical buying spurred by export optimism and questions surrounding U.S. production potential. December futures added 3 cents to \$3.7825, with March futures up 3.75 cents to \$3.8775. Corn basis bids were steady to lightly mixed Friday, moving as much as a penny higher at an Illinois river terminal while falling as much as 3 cents lower at an Iowa processor today. Private exporters reported to USDA the sale of 8.3 million bushels of corn for delivery to China during the 2020/21 marketing year, which began September 1.

Jim McCormick, hedging strategist with AgMarket.net, has a few thoughts on why China has been "binge-buying" U.S. corn and soybeans recently. "The reason for the surge in buying can be attributed to hog herd rebuilding, production cuts due to three typhoons (5-10MMT) and record domestic corn prices around \$9/bu," he notes. Click here to read more of McCormick's analysis in the latest Ag Marketing IQ blog. Increasing talk about extreme weather, and a growing interest in the role of carbon in the atmosphere may open the door to a new income stream. Could you get paid to create carbon credits? Learn more in the latest Around Farm Progress Podcast.

If you didn't visit FarmFutures.com earlier this week, there's an easy way to quickly catch up on the latest ag news and analysis. Click here to read "7 ag stories you might have missed this week."

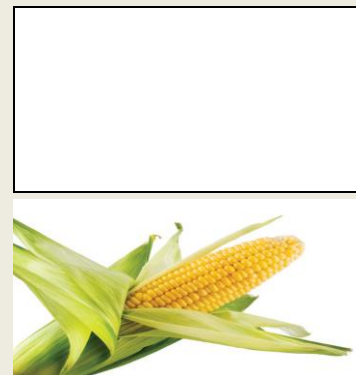
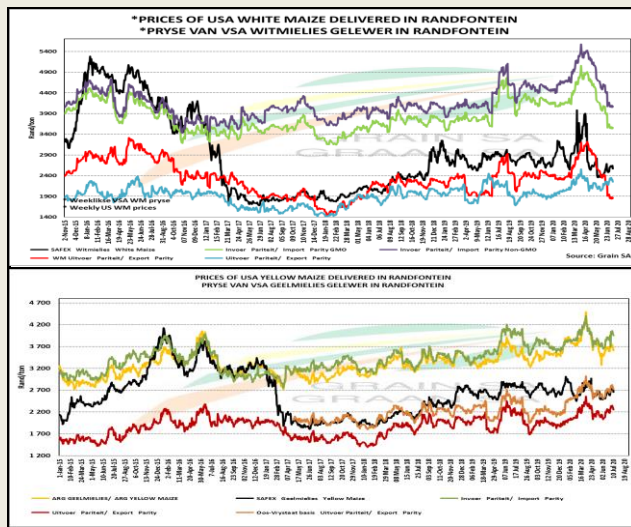
Preliminary volume estimates were for 322,361 contracts, dropping moderately below Thursday's final count of 371,355.



### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
Sep 2020	R 3 311.00	28%		R 3 311.00
Dec 2020	R 3 249.00	30%	R 23.68	R 3 272.68
Mar 2021	R 3 217.00	27.75%	R 28.96	R 3 245.96
May 2021	R 2 915.00	0%	R 29.25	R 2 944.25
Jul 2021	R 2 840.00	25%	R 29.42	R 2 869.42
Sep 2021				
Dec 2021				
<b>Yellow Maize Future</b>				
Sep 2020	R 3 206.00	19.75%		R 3 206.00
Dec 2020	R 3 215.00	22.25%	R 23.68	R 3 238.68
Mar 2021	R 3 180.00	21%	R 28.96	R 3 208.96
May 2021	R 2 850.00	0%	R 29.25	R 2 879.25
Jul 2021	R 2 836.00	18%	R 29.42	R 2 865.42
Sep 2021				
Dec 2021	R 2 951.00	0%		R 2 951.00

The local Maize market traded higher yesterday. The Sep'20 WMAZ contract ended R42.00 up and Sep'20 YMAZ closed R39.00 higher. The Dec'20 WMAZ closed higher by R15.00 and Dec'20 YMAZ ended R9.00 up. The parity move for the Sep'20 Maize contract for yesterday was R24.00 positive.



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## Wheat Market

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

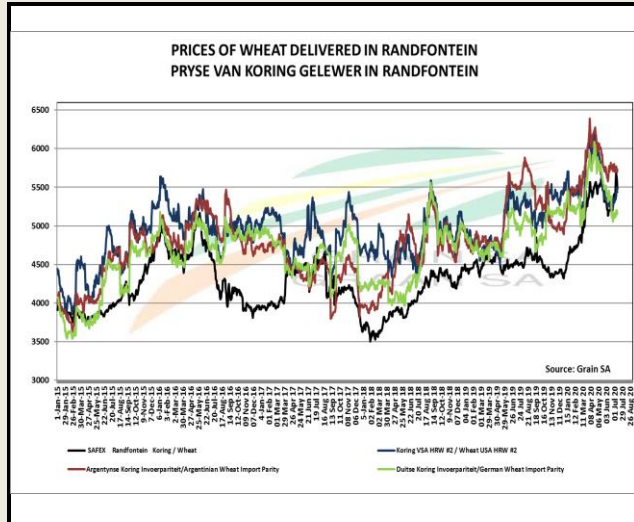
CBOT Wheat							KBOT Wheat								
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm	Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
DEC 2020	560.00	575.00	The record c	15.00	577.25	2.25	17.25	DEC 2010	493.00	504.25	The record	11.25	506.50	2.25	13.50
MAR 2021	568.00	582.75	The record c	14.75	584.25	1.50	16.25	MAR 2011	504.00	515.00	The record	11.00	517.00	2.00	13.00
MAY 2021	572.00	586.75	The record c	14.75	588.25	1.50	16.25	MAY 2011	511.00	521.75	The record	10.75	523.75	2.00	12.75
JUL 2021	570.00	582.75	The record c	12.75	584.50	1.75	14.50	JUL 2011	515.00	526.75	The record	11.75	528.75	2.00	13.75
SEP 2021	575.00	586.75	The record c	11.75	529.00	-57.75	-46.00	SEP 2011	522.00	533.25	The record	11.25	535.00	1.75	13.00



FarmFutures - Wheat prices continue to follow overseas prices higher on solid demand fundamentals. (For example, Paris future have risen 3.2% this week.) Lingering concerns over production potential for major producers such as Argentina and France are lending additional support. December Chicago SRW futures climbed 21 cents to \$5.7725, December Kansas City HRW futures rose 18.5 cents to \$5.06, and December MGEX spring wheat futures added 8.25 cents to \$5.4975. Ukraine's wheat exports in the 2020/21 marketing year are matching last year's pace so far, with 257.2 million bushels since July 1, according to the country's economy ministry. Ukraine is the world's No. 4 largest wheat exporter. Some wheat fields in northern Argentina may not be harvested due to drought problems in that area, according to the Buenos Aires Grains Exchange. Argentinian farmers planted about 16 million acres for the 2020/21 season. Preliminary volume estimates were for 166,766 CBOT contracts, climbing moderately above Thursday's final count of 114,543.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
Sep 2020	R 4 915.00	16.5%		R 4 915.00
Dec 2020	R 4 870.00	9.5%	R 133.66	R 5 003.66
Mar 2021	R 4 971.00	0%	R 128.12	R 5 099.12
May 2021				
Jul 2021				
Sep 2021				
Dec 2021				
<b>Cape Wheat</b>				
Sep 2020				
Dec 2020				
Mar 2021				
May 2021				
Jul 2021				
Sep 2021				
Dec 2021				



The local Wheat market closed mixed yesterday. The Sep'20 Wheat contract closed R31.00 up while Dec'20 Wheat closed R17.00 lower. The parity move for the Sep'20 Wheat contract for yesterday was R134.00 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
NOV 2020	1042.00	1043.50	The record	1.50	902.00	-141.50
JAN 2021	1046.00	1047.25	The record	1.25	1047.00	-0.25
MAR 2021	1038.00	1038.00	The record	0.00	1039.00	1.00
MAY 2021	1033.00	1030.50	The record	-2.50	1033.75	3.25
JUL 2021	1035.00	1030.25	The record	-4.75	1034.50	4.25

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
OCT 2010	337.4	337.70
DEC 2010	342.1	342.40
JAN 2011	342.4	342.70
MAR 2011	339.1	339.70
MAY 2011	335.1	335.80

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
OCT 2010	35.23	35.26
DEC 2010	35.14	35.22
JAN 2011	35.12	35.16
MAR 2011	35.07	35.10
MAY 2011	35.05	35.04



FarmFutures - Soybean prices continued their hot streak today, moving higher for the 17th time in the past 19 sessions. China has made large purchases of U.S. soybeans in each of the past 11 days as the country tries to rebuild its hog herd and fulfill the commitments it made in the phase one trade agreement penned with the U.S. earlier this year. November futures climbed another 15.25 cents higher to reach \$10.4375, and January futures rose 15.75 cents to \$10.47. Prices haven't reached these levels since May 2018. Soybean basis bids continued to show considerable variability across the Midwest Friday, moving as much as 10 cents lower at an Indiana processor while jumping as much as 20 cents higher at a Nebraska processor today. What's the potential for prices to move even higher? Naomi Blohm, senior market adviser with Stewart Peterson, walks through five fundamentals the market is currently facing in Thursday's Ag Marketing IQ blog - click here to learn more. Private exporters reported to USDA the sale of 4.9 million bushels of soybeans for delivery to China during the 2020/21 marketing year, which begins September 1. Private exporters also reported purchasing 110,321 metric tons of soymeal. That sale is also for the 2020/21 marketing year and is headed for unknown destinations. Preliminary volume estimates were for 314,845 contracts, falling substantially below Thursday's final count of 469,071.

### South African Futures Exchange

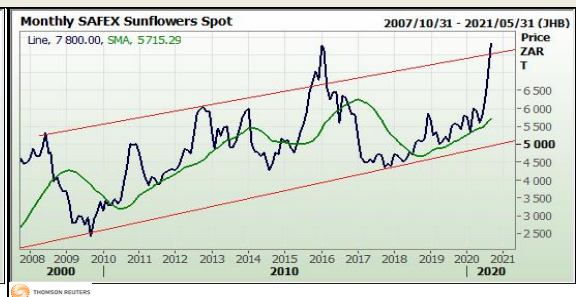
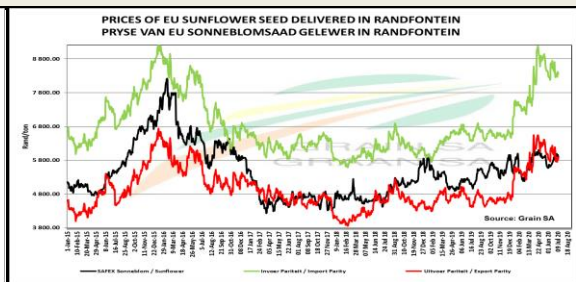
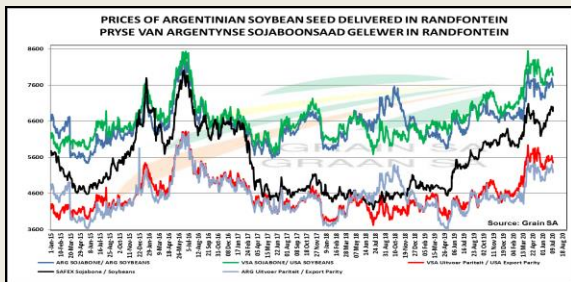
	Soybean Future			
	MTM	Vols	Parity Change	Market Price
Sep 2020	R 7 923.00	15%		R 7 923.00
Dec 2020	R 7 949.00	15%		R 7 949.00
Mar 2021	R 7 662.00	16%	R 62.58	R 7 724.58
May 2021	R 6 981.00	17%	R 60.81	R 7 041.81
Jul 2021	R 7 027.00	21.5%	R 53.45	R 7 080.45
Sep 2021				
Dec 2021				

	Sunflower Seeds Future	
	MTM	Vols
Sep 2020	R 7 800.00	11.5%
Dec 2020	R 7 862.00	13.5%
Mar 2021	R 7 904.00	14.5%
May 2021	R 7 010.00	21.5%
Jul 2021	R 6 961.00	0%
Sep 2021		
Dec 2021		



The local Soya market traded higher yesterday. The Sep'20 Soya contract ended R40.00 up and Dec'20 Soya closed R60.00 higher. The parity move for the Sep'20 Soya contract for yesterday was R56.00 positive.

The local Suns market closed mixed yesterday. The Sep'20 Suns contract closed R22.00 up while Dec'20 Suns closed R6.00 lower.



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