



# **Fundamental Report**

## **07 September 2020**

## Financial Markets

### Currencies

| Currency           | Bid - Yesterday 12pm | Current Bid | Value Change | % Change |
|--------------------|----------------------|-------------|--------------|----------|
| USDollar/Rand      | 16.6339              | 16.5901     | -0.0438      | -0.26%   |
| Euro/Rand          | 19.7042              | 19.6320     | -0.0722      | -0.37%   |
| GBPound/Rand       | 22.1076              | 21.9485     | -0.1591      | -0.72%   |
| AusDollar/Rand     | 12.1278              | 12.0852     | -0.0426      | -0.35%   |
| Euro/USDollar      | 1.1849               | 1.1833      | -0.0016      | -0.14%   |
| GBPound/USDollar   | 1.3295               | 1.3233      | -0.0062      | -0.47%   |
| AusDollar/USDollar | 0.7291               | 0.7284      | -0.0007      | -0.10%   |
| JpyYen/USDollar    | 106.2000             | 106.2700    | 0.0700       | 0.07%    |

BDLive - Rand hedges dragged the JSE lower on Friday as the rand recorded its second consecutive day of gains.

Richemont fell 2.01% to R112.44, AB InBev 4.80% to R962.36, British American Tobacco 2.25% to R560.58, Naspers 3.82% to R2,933.42, and Prosus 4.34% to R1,580.01. World shares edged lower on Friday, and were on course for their worst week in more than two months, though gains in safer assets, such as bonds and the dollar, were muted as investors awaited US jobs data to see if it triggers a bigger sell-off.

The pan-European Stoxx 600 index added 0.4%, rebounding from its worst day in more than a month a day before amid a tech-led plunge on Wall Street on Thursday. Data showed German industrial goods orders rose by a smaller-than-expected 2.8% on the month in July, undermining hopes of recovery for Europe's largest economy from the coronavirus shock.



### Commodities

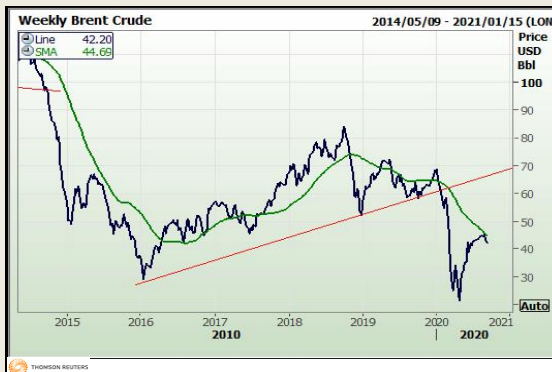
|           | Last    | Value Change | % Change |
|-----------|---------|--------------|----------|
| Platinum  | 900.38  | 5.88         | 0.65%    |
| Gold      | 1934.22 | 1.77         | 0.09%    |
| Silver    | 26.94   | 0.06         | 0.24%    |
| Copper    | 3.07    | 0.01         | 0.16%    |
| Gasoil    | 332.00  | -3.50        | -1.05%   |
| Brent Oil | 42.24   | -0.42        | -0.99%   |

BDLive - Bengaluru — Gold prices rose on Friday, as US treasury yields fell and a pullback in global equities bolstered demand for the safe-haven metal ahead of the US non-farm payrolls report.

Spot gold was up 0.3% at \$1,935.84/oz by 3.04am GMT, after falling to a near one-week low on Thursday. Bullion prices have declined 1.5% so far this week. US gold futures rose 0.2% to \$1,941.80/oz.

"It's a bit of flight to safety right now we are seeing in gold because the stock markets are lower," said Edward Meir, an analyst at ED&F Man Capital Markets. "What also could be helping gold is the sharp slide we are seeing in US yields."

Asia's stock markets slipped, after the steepest Wall Street sell-off since June.



### Financials

|            | Current Bid | Value Change | % Change |
|------------|-------------|--------------|----------|
| JSE TOP 40 | 49720.42    | 0.00         | 0.00%    |
| ALSI       | 49698.00    | 0.00         | 0.00%    |
| S&P 500    | 3455.06     | -28.10       | -0.81%   |
| FTSE       | 5850.86     | -51.78       | -0.88%   |
| CAC        | 4965.07     | 0.00         | 0.00%    |
| DAX        | 12842.66    | 0.00         | 0.00%    |
| Hang Seng  | 24695.45    | 13.34        | 0.05%    |



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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 | 349.00         | 347.25             | -0.50               | -1.75                         | 0.00              | -347.25                            | -349.00                    |
| DEC 2020 | 359.00         | 358.00             | The record          | -1.00                         | 0.00              | -358.00                            | -359.00                    |
| MAR 2021 | 370.00         | 368.50             | -0.50               | -1.50                         | 0.00              | -368.50                            | -370.00                    |
| MAY 2021 | 376.00         | 374.75             | The record          | -1.25                         | 0.00              | -374.75                            | -376.00                    |
| JUL 2021 | 380.00         | 379.25             | The record          | -0.75                         | 0.00              | -379.25                            | -380.00                    |

FarmFutures - Corn prices saw a moderate bounce Friday on a round of technical buying. Nearby contracts have relatively stabilized around or just below the \$3.50 mark for much of this week as traders remain watchful of weather ahead of this fall's harvest. Today, September futures added 2.5 cents to \$3.47, with December futures up 3.5 cents to \$3.5725.

Corn basis bids were steady to slightly mixed Friday, moving as much as 3 cents higher at an Iowa processor and as much as 4 cents lower at an Illinois river terminal today.

Analytics firm HIS Market Agribusiness is now forecasting 2020 corn yields at 178.1 bushels per acre, down from its estimate of 179.0 bpa last month. That brings production potential down to 14.961 billion bushels, versus 15.036 billion bushels in August.

Brazil's Safra consultancy expects the country's 2020/21 corn production to reach 4.547 billion bushels, which is slightly below its July forecast. The cancellation of farm shows across the country didn't miss the Farm Progress Show and Husker Harvest Days, yet the ag industry needs a venue where farmers can connect with suppliers to find new products, and to catch up on new techniques and ideas. The new Farm Progress Virtual Experience is designed to fill that gap. Click here to learn more about this one-of-a-kind event.

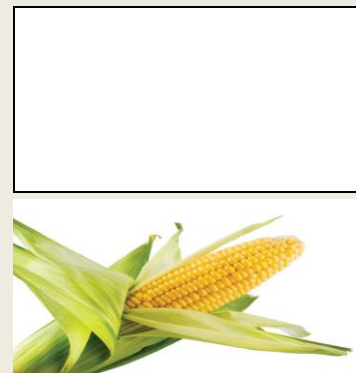
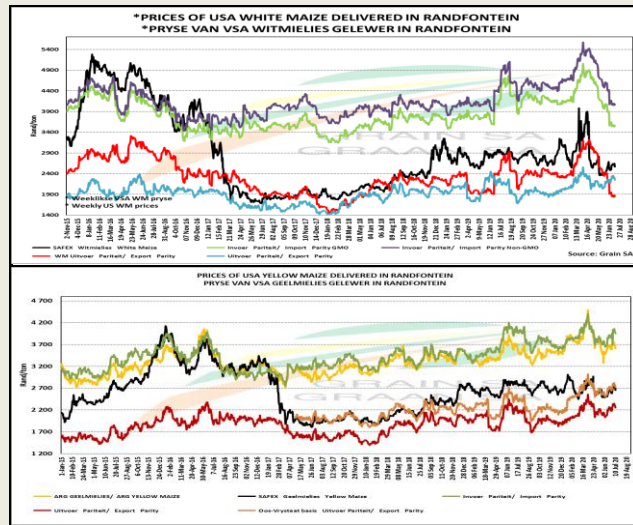
Preliminary volume estimates were for 190,760 contracts, tracking slightly above Thursday's final count of 178,306.



### South African Futures Exchange

|                            | MTM        | Volatility | Parity Change | Parity Price |
|----------------------------|------------|------------|---------------|--------------|
| <b>White Maize Future</b>  |            |            |               |              |
| May 2020                   |            |            |               |              |
| Jul 2020                   |            |            |               |              |
| Sep 2020                   | R 3 113.00 | 28%        | R -2 285.40   | R 827.60     |
| Dec 2020                   | R 3 154.00 | 30%        | R -2 350.89   | R 803.11     |
| Mar 2021                   | R 3 118.00 | 27.25%     | R -2 422.92   | R 695.08     |
| May 2021                   | R 2 866.00 | 0%         | R -2 462.21   | R 403.79     |
| Jul 2021                   | R 2 851.00 | 24%        | R -2 488.40   | R 362.60     |
| <b>Yellow Maize Future</b> |            |            |               |              |
| May 2020                   |            |            |               |              |
| Jul 2020                   |            |            |               |              |
| Sep 2020                   | R 3 083.00 | 19.75%     | R -2 285.40   | R 797.60     |
| Dec 2020                   | R 3 146.00 | 20%        | R -2 350.89   | R 795.11     |
| Mar 2021                   | R 3 108.00 | 20.5%      | R -2 422.92   | R 685.08     |
| May 2021                   | R 2 841.00 | 0%         | R -2 462.21   | R 378.79     |
| Jul 2021                   | R 2 838.00 | 18%        | R -2 488.40   | R 349.60     |

The local Maize market traded lower yesterday. The Sep'20 WMAZ contract ended R26.00 down and Sep'20 YMAZ closed R7.00 lower. The Dec'20 WMAZ closed lower by R15.00 and Dec'20 YMAZ ended R9.00 down. The parity move for the Sep'20 Maize contract for yesterday was R18.00 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   | 542.00         | 539.75             | The record c        | -2.25                         | 0.00              | -539.75                            | -542.00                    | SEP 2010 | 475.75         | 474.50             | 4.25                | -1.25                         | 0.00              | -474.50                            | -475.75                    |
| DEC 2020   | 556.00         | 550.25             | 5.50                | -5.75                         | 0.00              | -550.25                            | -556.00                    | DEC 2010 | 478.00         | 472.50             | 4.00                | -5.50                         | 0.00              | -472.50                            | -478.00                    |
| MAR 2021   | 564.00         | 558.75             | 5.00                | -5.25                         | 0.00              | -558.75                            | -564.00                    | MAR 2011 | 490.00         | 483.50             | 4.00                | -6.50                         | 0.00              | -483.50                            | -490.00                    |
| MAY 2021   | 568.00         | 563.50             | 3.75                | -4.50                         | 0.00              | -563.50                            | -568.00                    | MAY 2011 | 496.00         | 490.50             | 4.25                | -5.50                         | 0.00              | -490.50                            | -496.00                    |
| JUL 2021   | 565.00         | 561.50             | 3.00                | -3.50                         | 529.00            | -32.50                             | -36.00                     | JUL 2011 | 501.00         | 496.50             | 4.25                | -4.50                         | 0.00              | -496.50                            | -501.00                    |



FarmFutures - Wheat prices continued to ease lower Friday amid some light technical selling. But prices remain relatively close to the five-month highs captured earlier this week. Today, December Chicago SRW futures dropped 1.75 cents to \$5.5150, December Kansas City HRW futures also fell 1.75 cents to \$4.74, and December MGEX spring wheat futures lost 4 cents to \$5.4325.

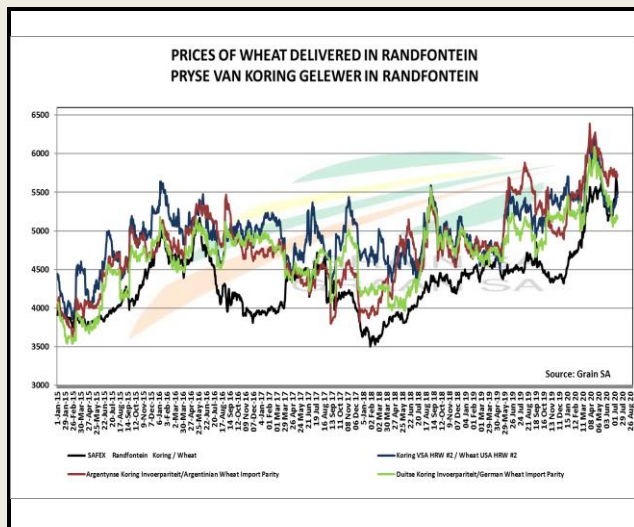
Russian consultancy Sovcon raised its forecast for the country's 2020 wheat production by 1.7% to reach 3.035 billion bushels, based on positive spring wheat yields recently coming in from some key production regions.

Statistics Canada reports that the country's total wheat stocks are down 14.6% year-over-year, falling to 183.7 million bushels through the end of July.

Importers in the Philippines purchased 4.0 million bushels of animal feed wheat, likely from Australia, in a tender that closed Thursday. The purchase was comprised of two consignments that will be shipped in November and December.

### South African Futures Exchange

|                            | MTM        | Volatility | Parity Change | Parity Price |
|----------------------------|------------|------------|---------------|--------------|
| <b>Bread Milling Wheat</b> |            |            |               |              |
| May 2020                   |            |            |               |              |
| Jul 2020                   |            |            |               |              |
| Sep 2020                   | R 4 920.00 | 16.5%      | R -3 312.66   | R 1 607.34   |
| Dec 2020                   | R 4 891.00 | 9.5%       | R -3 398.22   | R 1 492.78   |
| Mar 2021                   | R 4 995.00 | 0%         | R -3 447.12   | R 1 547.88   |
| May 2021                   |            |            |               |              |
| Jul 2021                   |            |            |               |              |
| <b>Cape Wheat</b>          |            |            |               |              |
| May 2020                   |            |            |               |              |
| Jul 2020                   |            |            |               |              |
| Sep 2020                   |            |            |               |              |
| Dec 2020                   |            |            |               |              |
| Mar 2021                   |            |            |               |              |
| May 2021                   |            |            |               |              |
| Jul 2021                   |            |            |               |              |



The local Wheat market closed mixed yesterday. The Sep'20 Wheat contract closed R200.00 down while Dec'20 Wheat closed R11.00 higher. The parity move for the Sep'20 Wheat contract for yesterday was R12.00 negative.



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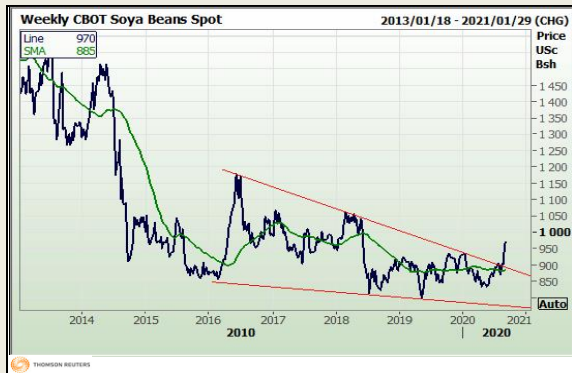
### Oil Seed Market

#### 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 |
| SEP 2020          | 972.00         | 969.50             | 0.00                | -2.50                         | 902.00            | -67.50                             | -70.00                     |
| NOV 2020          | 970.00         | 968.00             | 0.00                | -2.00                         | 0.00              | -968.00                            | -970.00                    |
| JAN 2021          | 975.00         | 973.50             | 0.00                | -1.50                         | 0.00              | -973.50                            | -975.00                    |
| MAR 2021          | 975.00         | 973.75             | -0.50               | -1.25                         | 0.00              | -973.75                            | -975.00                    |
| MAY 2021          | 976.00         | 975.50             | -0.25               | -0.50                         | 0.00              | -975.50                            | -976.00                    |

| CBOT Soybean Meal |                    |                   |
|-------------------|--------------------|-------------------|
| Month             | Main Session Close | Current Overnight |
| SEP 2010          | 309.8              | 0.00              |
| OCT 2010          | 312.1              | 0.00              |
| DEC 2010          | 317.2              | 0.00              |
| JAN 2011          | 319.1              | 0.00              |
| MAR 2011          | 319                | 0.00              |

| CBOT Soybean Oil |                    |                   |
|------------------|--------------------|-------------------|
| Month            | Main Session Close | Current Overnight |
| SEP 2010         | 33.08              | 0.00              |
| OCT 2010         | 32.77              | 0.00              |
| DEC 2010         | 32.89              | 0.00              |
| JAN 2011         | 33.02              | 0.00              |
| MAR 2011         | 33.16              | 0.00              |



FarmFutures - Soybean prices firmed 1.4% this week, adding another small round of gains Friday amid another two large export sales announced this morning. Doubts surrounding U.S. production potential lent additional support. September futures added 0.75 cents to \$9.6950, while November futures rose 3 cents to \$9.69.

Soybean basis bids were steady across the central U.S. Friday but showed high variability across multiple Midwestern processors today, moving as much as 20 cents higher at one Indiana location while falling 10 cents at an Iowa facility.

Private exporters reported to USDA the sale of 11.7 million bushels of soybeans for delivery to China during the 2020/21 marketing year, which began September 1. Private exporters also reported a soy meal sale totaling 192,904 metric tons, for delivery to the Philippines during the 2020/21 marketing year, which begins October 1. Brazil's Safras consultancy expects the country's 2020/21 soybean production to reach 4.856 billion bushels, which is 0.4% higher than its July estimate. Preliminary volume estimates were for 184,331 contracts, which is moderately below Thursday's final count of 224,779.

#### South African Futures Exchange

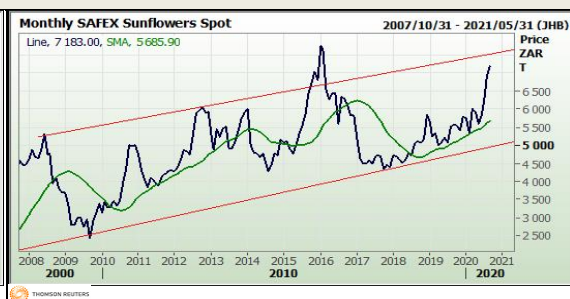
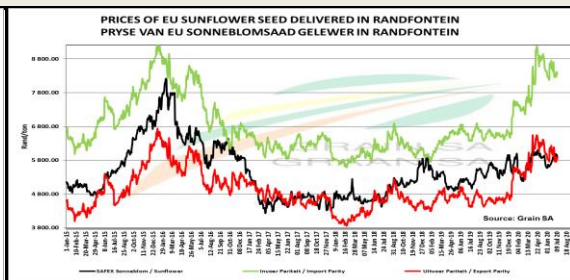
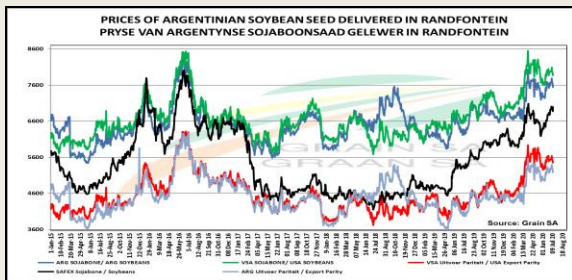
| Soybean Future |            |       |               |              |
|----------------|------------|-------|---------------|--------------|
|                | MTM        | Vols  | Parity Change | Market Price |
| May 2020       |            |       |               |              |
| Jul 2020       |            |       |               |              |
| Sep 2020       | R 7 600.00 | 15%   | R -442.35     | R 7 157.65   |
| Dec 2020       | R 7 625.00 | 15.5% |               | R 7 625.00   |
| Mar 2021       | R 7 338.00 | 16%   | #####         | R 1 378.89   |
| May 2021       | R 6 820.00 | 17%   | #####         | R 854.78     |
| Jul 2021       |            |       |               |              |

| Sunflower Seeds Future |            |       |
|------------------------|------------|-------|
|                        | MTM        | Vols  |
| May 2020               |            |       |
| Jul 2020               |            |       |
| Sep 2020               | R 7 183.00 | 11.5% |
| Dec 2020               | R 7 289.00 | 13.5% |
| Mar 2021               | R 7 278.00 | 14.5% |
| May 2021               | R 6 464.00 | 21.5% |
| Jul 2021               |            |       |



The local Soya market traded mixed yesterday. The Sep'20 Soya contract ended R2.00 up while Dec'20 Soya closed R8.00 lower. The parity move for the Sep'20 Soya contract for yesterday was R33.00 positive.

The local Suns market closed lower yesterday. The Sep'20 Suns contract closed R5.00 down and Dec'20 Suns closed R52.00 lower.



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