



Fundamental Report

12 October 2020

Financial Markets

Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	16.5008	16.4882	-0.0126	-0.08%
Euro/Rand	19.4501	19.4867	0.0366	0.19%
GBPound/Rand	21.3373	21.4782	0.1409	0.66%
AusDollar/Rand	11.8513	11.9127	0.0614	0.52%
Euro/USDollar	1.1793	1.1816	0.0023	0.20%
GBPound/USDollar	1.2933	1.3025	0.0092	0.71%
AusDollar/USDollar	0.7183	0.7225	0.0042	0.58%
JpyYen/USDollar	105.8700	105.5500	-0.3200	-0.30%

BDLive - The JSE closed firmer on Friday, with sentiment lifted by investor optimism that a US stimulus deal may still be reached before the elections there in November.

The White House has signalled that the administration is again leaning towards a large-scale stimulus bill after house speaker Nancy Pelosi pushed back on the idea of individual measures for parts of the economy hit by the Covid-19 crisis. World shares pushed on from one-month highs, with Asian stocks closing in on two-and-a-half-year highs, as expectations grew of a Democratic victory in US elections in November, reviving hopes for more US stimulus. A widening lead for Democratic US presidential candidate Joe Biden and the possibility his party will win both the Senate and the White House in the November 3 vote has raised the prospect of a big economic stimulus. The possibility of stimulus is also helping to counter investor wariness about a Democrat pledge to hike corporate tax rates.

The pan-European Stoxx 600 index rose 0.3%, set for its second straight week of gains. Wall Street futures were up 0.4%.

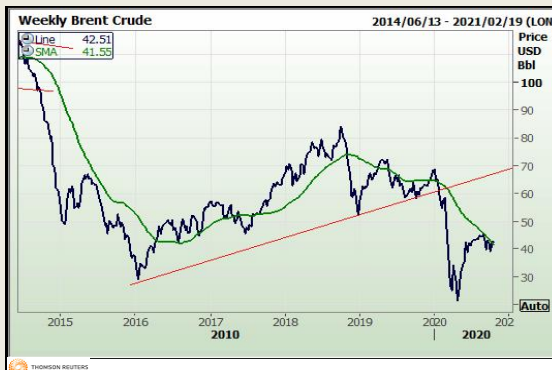


Commodities

	Last	Value Change	% Change
Platinum	882.46	-3.55	-0.40%
Gold	1926.76	-2.67	-0.14%
Silver	25.30	0.18	0.71%
Copper	3.07	-0.01	-0.39%
Gasoil	0.00	0.00	
Brent Oil	42.50	-0.35	-0.82%

BDLive - Gold prices rose 1% on Friday, supported by a weaker dollar and optimism over a new US coronavirus relief package after President Donald Trump said talks with Congress had restarted. Spot gold gained 0.9% to \$1,910.96/oz by 3.10am GMT. It was up 0.7% for the week. US gold futures were up 1.2% at \$1,916.90/oz. The dollar index, which was down 0.2% against its rivals, was headed for a second straight weekly fall. Renewed hopes for another fiscal stimulus pulled the dollar lower and raised expectations of a pickup in inflation, said Howie Lee, an economist at OCBC Bank. "The \$1,900 level is a sticky one and, in my opinion, gold is going to trade around this level until the [US] presidential elections," he said.

In an interview, Trump said there was a good chance a deal over Covid-19 relief could be reached, but gave no details of such a pact.



Financials

	Current Bid	Value Change	% Change
JSE TOP 40	50781.18	0.00	0.00%
ALSI	50918.00	0.00	0.00%
S&P 500	3446.83	30.30	0.88%
FTSE	5978.03	38.62	0.65%
CAC	4946.81	0.00	0.00%
DAX	13051.23	0.00	0.00%
Hang Seng	24119.13	315.14	1.31%



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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	391.00	395.00	The record	4.00	397.00	2.00	6.00
MAR 2021	399.00	402.25	The record	3.25	403.75	1.50	4.75
MAY 2021	404.00	406.50	The record	2.50	408.00	1.50	4.00
JUL 2021	407.00	409.50	The record	2.50	410.50	1.00	3.50
SEP 2021	393.00	395.50	The record	2.50	396.25	0.75	3.25

FarmFutures - Corn prices jumped higher on a round of supportive data from USDA, which saw production estimates decline and stocks tighten significantly. December futures rose 7.5 cents to \$3.9450, with March futures up 7 cents to \$4.0175. That's the first time March futures have closed above \$4 since last October. Corn basis bids were mostly steady to firm Friday, moving 1 to 5 cents higher across a handful of Midwestern locations today. An Iowa river terminal bucked the overall trend after dropping 6 cents. USDA revised domestic production down another 178 million bushels, due to lower harvested area and a modest decline in average yields, now at 178.4 bushels per acre. That puts the agency's current production estimates at 14.722 billion bushels.



USDA lowered its estimates for corn used for ethanol by another 50 million bushels after assessing the latest U.S. Energy Information Administration data. The agency also dropped its projected feed and residual use by 50 million bushels. In total, ending stocks fell by 336 million bushels. U.S. ending stocks for corn fell from 2.503 billion bushels in September down to 2.167 billion bushels this month. USDA also raised the season-average farm price by 10 cents to \$3.60 per bushel, given recent price gains. Click here for more exclusive analysis of today's WASDE report. Ukraine's corn exports in 2020/21 have seen a steep year-over-year drop after only reaching 30.5 million bushels since the beginning of July. The country's total grain exports are down around 12% so far this marketing season.

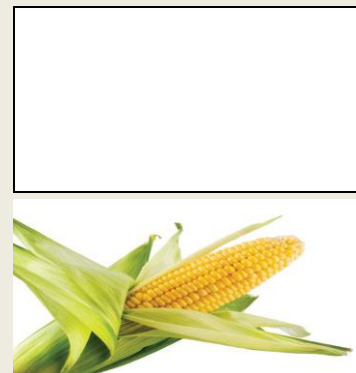
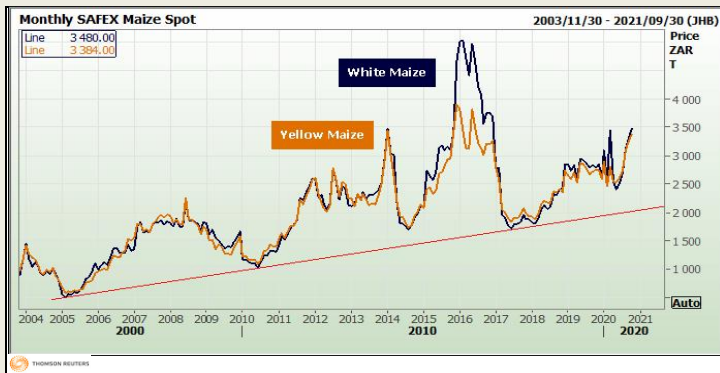
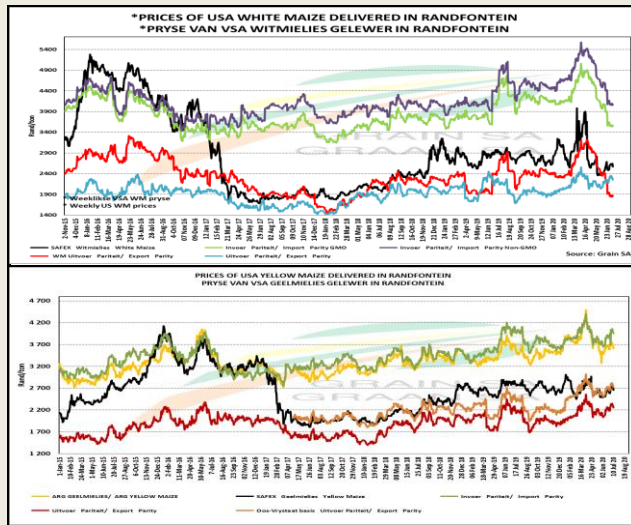
France's 2020 corn harvest is 49% complete through October 5, per the country's FranceAgriMer consultancy. The crop has battled a lot of hot, dry weather this season.

Preliminary volume estimates were for 468,878 contracts, tracking 46% above Thursday's final count of 320,104.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
White Maize Future				
Dec 2020	R 3 479.00	30.75%	R 37.01	R 3 516.01
Mar 2021	R 3 436.00	31.5%	R 28.85	R 3 464.85
May 2021	R 3 090.00	0%	R 23.96	R 3 113.96
Jul 2021	R 2 993.00	25.75%	R 20.70	R 3 013.70
Sep 2021				
Dec 2021				
Dec 2021				
Yellow Maize Future				
Dec 2020	R 3 422.00	23.5%	R 37.01	R 3 459.01
Mar 2021	R 3 402.00	22.5%	R 28.85	R 3 430.85
May 2021	R 3 051.00	23%	R 23.96	R 3 074.96
Jul 2021	R 3 018.00	19.25%	R 20.70	R 3 038.70
Sep 2021	R 3 063.00	0%	R 19.15	R 3 082.15
Dec 2021				
Dec 2021				

The local Maize market traded lower yesterday. The Oct'20 WMAZ contract ended R18.00 down and Oct'20 YMAZ closed R10.00 lower. The Dec'20 WMAZ closed lower by R9.00 and Dec'20 YMAZ ended R13.00 down. The parity move for the Oct'20 Maize contract for yesterday was unchanged.



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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	603.00	593.75	The record d	-9.25	597.50	3.75	-5.50	DEC 2010	536.00	535.50	The record	-0.50	539.00	3.50	3.00
MAR 2021	606.00	597.75	The record d	-8.25	601.00	3.25	-5.00	MAR 2011	545.00	544.50	The record	-0.50	547.50	3.00	2.50
MAY 2021	606.00	599.75	The record d	-6.25	602.75	3.00	-3.25	MAY 2011	551.00	550.50	The record	-0.50	553.50	3.00	2.50
JUL 2021	598.00	594.25	The record d	-3.75	598.00	3.75	0.00	JUL 2011	555.00	554.75	The record	-0.25	558.00	3.25	3.00
SEP 2021	600.00	598.00	The record d	-2.00	529.00	-69.00	-71.00	SEP 2011	561.00	560.25	The record	-0.75	560.00	-0.25	-1.00

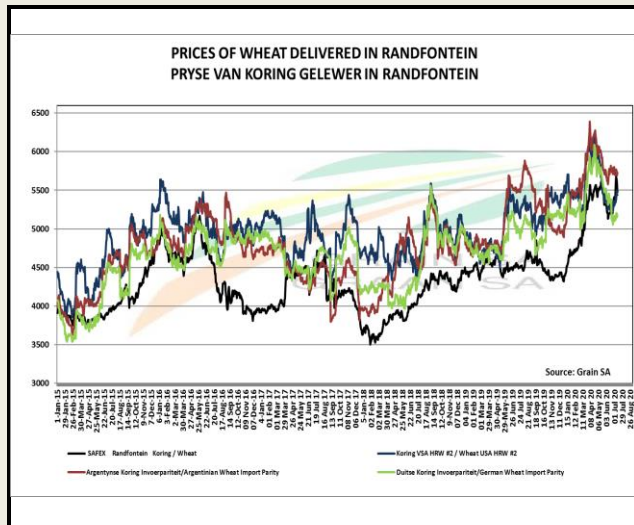


FarmFutures - Wheat prices were mixed Friday after traders absorbed a mixed bag of supply and demand data from USDA late this morning. December Chicago SRW futures dropped 3 cents to \$5.9225, December Kansas City HRW futures gained 6 cents to \$5.3475, and December MGEX spring wheat futures held steady at \$5.4250. USDA's latest outlook for wheat noted "reduced supplies, higher domestic use, unchanged exports and lower ending stocks." Domestic stocks dropped another 32 million bushels to 883 million bushels. Analyst estimates were nearly on the mark with this number, with an average trade guess of 887 million bushels. Still, domestic stocks have fallen to a six-year low. The latest global wheat outlook assumes larger supplies, increased consumption, improved exports and higher stocks. An increase in Russian production more than offsets reductions in other areas, including Argentina, Canada, Ukraine and the U.S. That leaves world ending stocks moving from 11.734 billion bushels in September up to 11.810 billion bushels.

Argentina is the first country to approve the use a GMO wheat variety that is drought resistant and tolerant to the herbicide glufosinate. The country is still seeking approval to sell to Brazil, which accounts for 45% of its wheat exports, however.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
Bread Milling Wheat				
Dec 2020	R 4 941.00	8%	R -36.11	R 4 904.89
Mar 2021	R 5 040.00	9%	R -33.10	R 5 006.90
May 2021				
Jul 2021	R 5 045.00	0%	R -2.77	R 5 042.23
Sep 2021				
Dec 2021				
Dec 2021				
Cape Wheat				
Dec 2020				
Mar 2021				
May 2021				
Jul 2021				
Sep 2021				
Dec 2021				
Dec 2021				



The local Weat market closed mixed yesterday. The Oct'20 Weat contract closed R408.00 down while Dec'20 Weat closed R7.00 higher. The parity move for the Oct'20 Weat contract for yesterday was unchanged.



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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	1058.00	1065.50	The record	7.50	902.00	-163.50
JAN 2021	1056.00	1065.75	The record	9.75	1068.25	2.50
MAR 2021	1032.00	1048.25	The record	16.25	1052.00	3.75
MAY 2021	1027.00	1043.75	The record	16.75	1046.75	3.00
JUL 2021	1028.00	1045.25	The record	17.25	1047.50	2.25

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
OCT 2010	363.1	0.00
DEC 2010	363.7	362.40
JAN 2011	360.9	360.30
MAR 2011	351.8	351.90
MAY 2011	345.8	346.00

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
OCT 2010	34.15	0.00
DEC 2010	34.01	34.32
JAN 2011	34.02	34.30
MAR 2011	33.94	34.25
MAY 2011	33.84	34.18



FarmFutures - Soybean prices jumped 1.5% higher Friday after USDA severely trimmed its ending stock estimates in this morning's WASDE report, which fueled a round of technical buying today. November futures climbed 15.5 cents higher to \$10.6550. January futures jumped 17.5 cents higher and also closed at \$10.6550. Soybean basis bids were steady to mixed Friday, firming 2 cents higher at two Midwestern locations while dropping as much as 6 cents at an Iowa river terminal today.

USDA estimates that 2020 soybean production potential is now at 4.268 billion bushels, which is 45 million bushels lower than September estimates based on lower harvested area. The agency trimmed 700,000 acres from its harvested acreage estimates to 82.3 million acres, noting reductions in Kansas and the Dakotas. Nationwide yields held steady, at 51.9 bushels per acre. USDA also cut 2020/21 ending stocks to a mere 290 million bushels on tightened ending stocks and increasing exports - 170 million bushels lower than the agency's September 2020 estimate and also falling below trade estimates. Based on the current trend of smaller supplies and higher exports, the agency boosted its season-average farm price 55 cents to \$9.80 per bushel.

USDA also tracks South American soybean production in its monthly WASDE reports. For October, the agency expects 2020/21 production in Argentina to reach 1.966 billion bushels, with Brazil bracing for a mammoth production of 4.886 billion bushels this coming season.

South African Futures Exchange

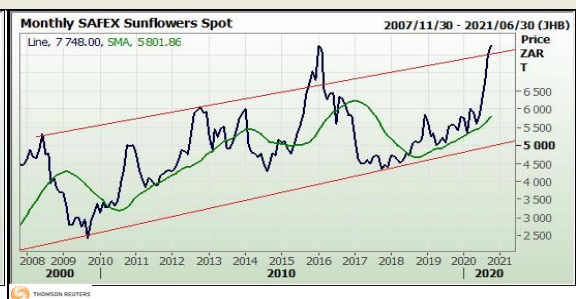
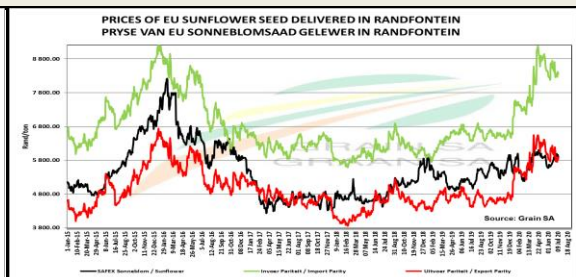
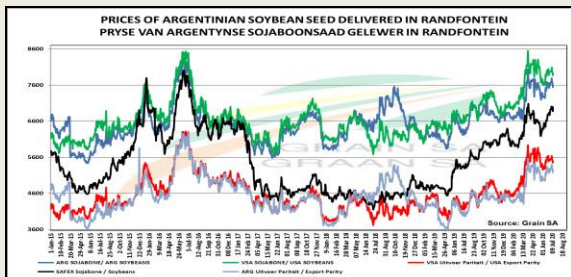
	Soybean Future			
	MTM	Vols	Parity Change	Market Price
Dec 2020	R 8 186.00	15%		R 8 186.00
Mar 2021	R 7 830.00	16%	R 116.39	R 7 946.39
May 2021	R 7 060.00	17%	R 114.90	R 7 174.90
Jul 2021	R 7 139.00	21.5%	R 113.38	R 7 252.38
Sep 2021				
Dec 2021				
Dec 2021				

	Sunflower Seeds Future	
	MTM	Vols
Dec 2020	R 7 848.00	15.5%
Mar 2021	R 7 688.00	15.5%
May 2021	R 6 899.00	21.5%
Jul 2021	R 6 852.00	0%
Sep 2021		
Dec 2021		
Dec 2021		



The local Soya market traded mixed yesterday. The Oct'20 Soya contract ended R14.00 up while Dec'20 Soya closed R30.00 lower. The parity move for the Oct'20 Soya contract for yesterday was unchanged.

The local Suns market closed higher yesterday. The Oct'20 Suns contract ended R115.00 up and Dec'20 Suns closed R124.00 higher.



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