



# **Fundamental Report**

## **22 October 2020**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	16.4056	16.3729	-0.0327	-0.20%
Euro/Rand	19.4328	19.3888	-0.0440	-0.23%
GBPound/Rand	21.4193	21.4867	0.0674	0.31%
AusDollar/Rand	11.6168	11.6149	-0.0019	-0.02%
Euro/USDollar	1.1846	1.1842	-0.0004	-0.03%
GBPound/USDollar	1.3058	1.3126	0.0068	0.52%
AusDollar/USDollar	0.7081	0.7094	0.0013	0.18%
JpyYen/USDollar	104.8600	104.7300	-0.1300	-0.12%

BDLive - The rand gained for a fourth day on Wednesday, firming alongside its emerging-market peers as stimulus talks in the US continue. At 5.37pm, the rand had gained the most in more than a month, up 1.11% to R16.2755/\$. It strengthened 0.72% to R19.3218/€, while weakening 0.48% to R21.3928/£. The euro added 0.39% to \$1.1872. Global stocks and bond yields rose on Wednesday as Washington moved closer to agreeing on a coronavirus stimulus package, pinning the dollar at its lowest for a month.

The MSCI world equity index, which follows shares in nearly 50 countries, gained 0.1%, buoyed by a 0.5% gain for Asia-Pacific shares outside Japan. Wall Street was also set for gains, with US stock futures up 0.3%.

European shares were, however, dragged down by the healthcare and real-estate sectors. The broad euro Stoxx 600 fell 0.2% in early trading, with Paris and London shares down 0.2% and 0.4% respectively.



### Commodities

	Last	Value Change	% Change
Platinum	883.68	-2.57	-0.29%
Gold	1914.16	-10.33	-0.54%
Silver	24.76	-0.31	-1.25%
Copper	3.18	-0.02	-0.65%
Gasoil	328.00	0.00	0.00%
Brent Oil	41.54	-0.19	-0.46%

BDLive - Bengaluru — Gold prices rose on Wednesday as optimism that US legislators could reach agreement on a pre-election coronavirus relief package pressured the dollar and bolstered the precious metal's appeal as an inflation hedge. Spot gold gained 0.6% to \$1,917.76/oz by 3.23am GMT, having earlier hit a one-week high. US gold futures were up 0.4% at \$1,922.80.

The White House and Democrats in the US Congress moved closer to agreement on a fresh stimulus package on Tuesday as President Donald Trump said he was willing to accept a large aid bill despite opposition from his Republican Party. Talks will continue on Wednesday, an aide to top US Democrat Nancy Pelosi said. The news lifted risk appetite and sent the dollar index to a one-month low against a basket of major currencies.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	50905.12	0.00	0.00%
ALSI	51076.00	0.00	0.00%
S&P 500	3443.12	-7.56	-0.22%
FTSE	5889.22	-112.72	-1.91%
CAC	4853.95	0.00	0.00%
DAX	12557.64	0.00	0.00%
Hang Seng	24754.42	-93.83	-0.38%



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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	412.00	413.75	The record	1.75	412.25	-1.50	0.25
MAR 2021	416.00	416.75	The record	0.75	415.25	-1.50	-0.75
MAY 2021	417.00	418.50	The record	1.50	416.75	-1.75	-0.25
JUL 2021	417.00	418.00	The record	1.00	416.75	-1.25	-0.25
SEP 2021	401.00	401.50	The record	0.50	400.25	-1.25	-0.75

FarmFutures - Corn prices posted another round of solid gains Wednesday after a round of technical buying boosted prices by another 1% and closing at the highest levels since August 2019. Export optimism remains strong for now, and emerging dry conditions in South America could compromise yield potential in Brazil and Argentina. December futures rose 5.25 cents to \$4.14, with March futures up 3.25 cents to \$4.1650.

Corn basis bids were mostly steady to firm Wednesday, with bids jumping as much as 15 cents higher at an Indiana elevator. However, gains between 5 and 6 cents were much more common today.



Why is it so important to track basis? Matthew Kruse, president of Commstock Investments, shares his views in the latest Ag Marketing IQ blog – click here to learn more.

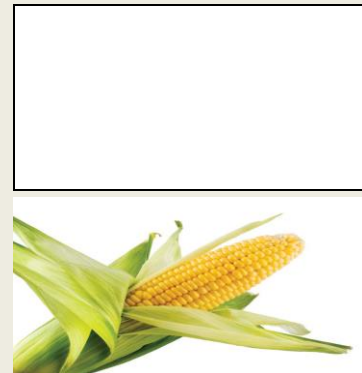
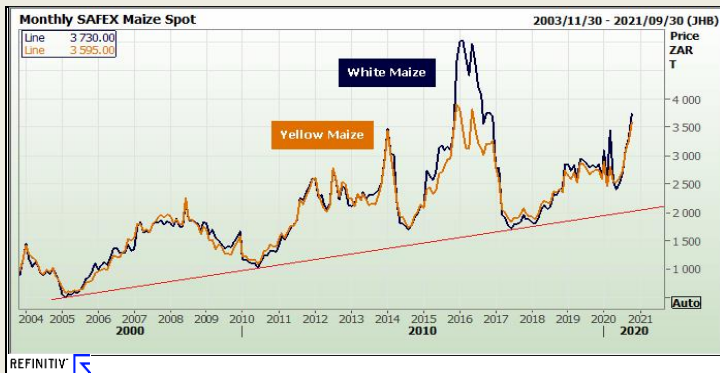
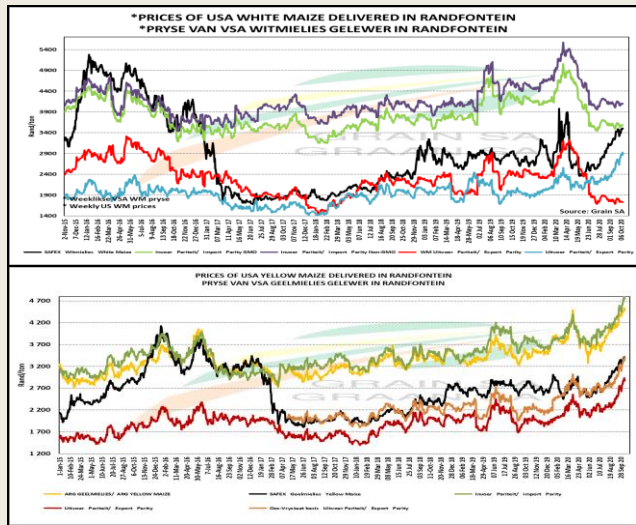
Ahead of Thursday morning's weekly export report from USDA, analysts expect the agency to show corn sales ranging between 31.5 million and 55.1 million bushels for the week ending October 15, expressing confidence that actuals will surpass the prior week's tally of 25.8 million bushels. Grain traveling the nation's railways jumped to 25,547 carloads last week, climbing 24% higher than a year ago. Cumulative totals for 2020 remain just behind 2019's pace, meantime, at 902,062 carloads.

Preliminary volume estimates were for 410,417 contracts, climbing moderately ahead of Tuesday's final count of 306,951.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
Dec 2020	R 3 703.00	33.5%	R -3.69	R 3 699.31
Mar 2021	R 3 650.00	33.25%	R -10.19	R 3 639.81
May 2021	R 3 200.00	0%	R -6.98	R 3 193.02
Jul 2021	R 3 087.00	28.25%	R -6.98	R 3 080.02
Sep 2021				
Dec 2021				
Dec 2021				
<b>Yellow Maize Future</b>				
Dec 2020	R 3 619.00	24.5%	R -3.69	R 3 615.31
Mar 2021	R 3 568.00	24%	R -10.19	R 3 557.81
May 2021	R 3 180.00	23%	R -6.98	R 3 173.02
Jul 2021	R 3 120.00	21%	R -6.98	R 3 113.02
Sep 2021	R 3 167.00	0%	R -10.00	R 3 157.00
Dec 2021				
Dec 2021				

The local Maize market traded lower yesterday. The Oct'20 WMAZ contract ended R81.00 down and Oct'20 YMAZ closed R33.00 lower. The Dec'20 WMAZ closed lower by R65.00 and Dec'20 YMAZ ended R35.00 down. The parity move for the Oct'20 Maize contract for yesterday was R8.00 negative.



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## Wheat Market

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

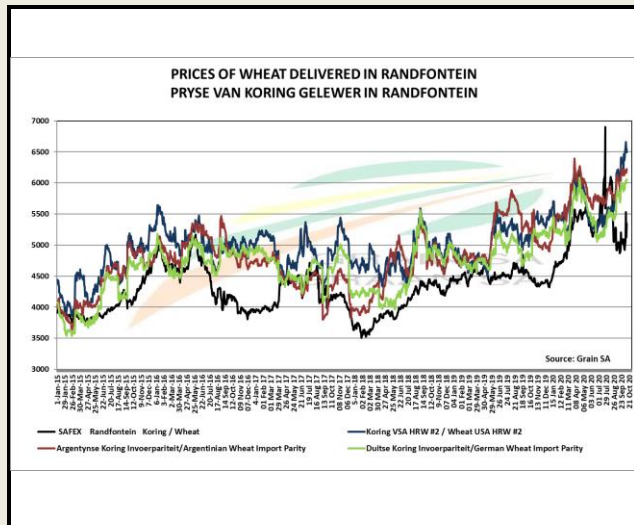
CBOT Wheat							KBOT Wheat								
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm	Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
DEC 2020	635.00	629.75	The record c	-5.25	623.25	-6.50	-11.75	DEC 2010	575.00	569.75	The record	-5.25	565.75	-4.00	-9.25
MAR 2021	635.00	631.25	The record c	-3.75	625.25	-6.00	-9.75	MAR 2011	582.00	577.00	The record	-5.00	572.50	-4.50	-9.50
MAY 2021	633.00	630.50	The record c	-2.50	624.75	-5.75	-8.25	MAY 2011	587.00	583.00	The record	-4.00	580.00	-3.00	-7.00
JUL 2021	620.00	621.00	The record c	1.00	616.50	-4.50	-3.50	JUL 2011	591.00	586.25	The record	-4.75	583.00	-3.25	-8.00
SEP 2021	622.00	622.75	The record c	0.75	529.00	-93.75	-93.00	SEP 2011	596.00	591.50	The record	-4.50	588.50	-3.00	-7.50



FarmFutures - Wheat prices were mixed Wednesday amid an uneven round of technical maneuvering, although plenty of bullish fundamentals are still in play, including drought challenges, export demand and more. Today, December futures dropped 2.75 cents to \$6.2925, December Kansas City HRW futures dipped 0.5 cents to \$5.7050, and December MGEX spring wheat futures added 6 cents to \$5.8375. Ahead of tomorrow morning's weekly export report from USDA, analysts offered up a broad range of guesses for wheat sales for the week ending October 15 - from a low end of 7.3 million bushels all the way up to 29.4 million bushels. Argentina has received some much-needed rains recently, but its 2020/21 wheat production potential is still in doubt, with satellite imagery suggesting a haul of around 654 million bushels. Ukraine has used up nearly 57% of its 2020/21 wheat export quota after shipping around 365 million bushels abroad since the first of July. Grain traders and the Ukrainian government agreed earlier to limit wheat exports to 643 million bushels this marketing year. Preliminary volume estimates were for 110,603 CBOT contracts, falling short of Tuesday's final count of 128,830.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
Dec 2020	R 5 121.00	8%	R -78.32	R 5 042.68
Mar 2021	R 5 216.00	9%	R -66.29	R 5 149.71
May 2021				
Jul 2021	R 5 280.00	0%	R -28.51	R 5 251.49
Sep 2021				
Dec 2021				
Dec 2021				
<b>Cape Wheat</b>				
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 R80.00 up while Dec'20 Weat closed R7.00 lower. The parity move for the Oct'20 Weat contract for yesterday was R79.00 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
NOV 2020	1074.00	1072.00	The record	-2.00	902.00	-170.00
JAN 2021	1073.00	1071.50	The record	-1.50	1067.00	-4.50
MAR 2021	1062.00	1058.75	The record	-3.25	1054.00	-4.75
MAY 2021	1058.00	1055.00	The record	-3.00	1049.75	-5.25
JUL 2021	1058.00	1055.75	The record	-2.25	1050.75	-5.00

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
DEC 2010	378.8	378.40
JAN 2011	373	372.20
MAR 2011	364	363.10
MAY 2011	357.2	355.90
JUL 2011	354.6	353.20

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
DEC 2010	33.2	32.99
JAN 2011	33.15	32.93
MAR 2011	33.08	32.92
MAY 2011	33.05	32.92
JUL 2011	33.07	33.02



FarmFutures - Soybean prices also moved higher Wednesday on a round of technical buying fueled by export optimism and concerns about dry weather in South America, which has slowed planting progress there. Prices remain just below two-and-a-half year highs captured earlier this month. November and January futures each climbed 7.75 cents higher to close at \$10.7175 and \$10.7150, respectively.

Soybean basis bids were steady to firm Wednesday, rising 2 to 10 cents higher across a handful of Midwestern locations today. Strong crushing margins has kept processing demand high.

Prior to tomorrow morning's weekly export report from USDA, analysts expect the agency to show soybean sales ranging between 55.1 million and 91.9 million bushels for the week ending October 15. Actuals will need to surpass all trade guesses to match the prior week's tally of 96.7 million bushels. Preliminary volume estimates were for 272,077 contracts, moving moderately above Tuesday's final count of 236,620.

### South African Futures Exchange

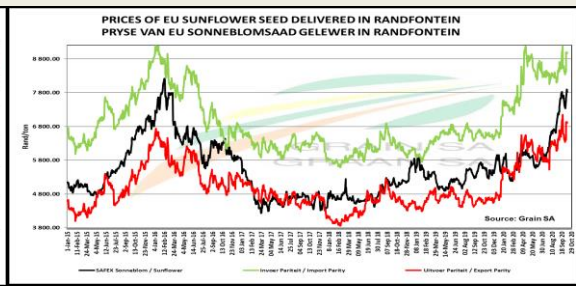
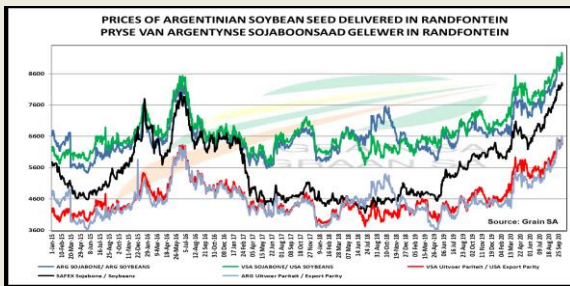
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Dec 2020	R 8 388.00	15%		R 8 388.00
Mar 2021	R 8 006.00	16%	R -60.89	R 7 945.11
May 2021	R 7 242.00	17%	R -62.34	R 7 179.66
Jul 2021	R 7 300.00	21.5%	R -56.33	R 7 243.67
Sep 2021				
Dec 2021				
Dec 2021				

Sunflower Seeds Future		
	MTM	Vols
Dec 2020	R 8 151.00	16%
Mar 2021	R 8 015.00	16%
May 2021	R 7 155.00	21.5%
Jul 2021	R 7 080.00	0%
Sep 2021		
Dec 2021		
Dec 2021		



The local Soya market traded mixed yesterday. The Oct'20 Soya contract ended unchanged while Dec'20 Soya closed R22.00 lower. The parity move for the Oct'20 Soya contract for yesterday was R42.00 negative.

The local Suns market closed higher yesterday. The Oct'20 Suns contract closed R70.00 up and Dec'20 Suns closed R74.00 higher.



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