



# **Fundamental Report**

## **07 December 2020**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	15.1868	15.2130	0.0262	0.17%
Euro/Rand	18.4773	18.4659	-0.0114	-0.06%
GBPound/Rand	20.4653	20.4331	-0.0322	-0.16%
AusDollar/Rand	11.2747	11.3002	0.0255	0.23%
Euro/USDollar	1.2167	1.2135	-0.0032	-0.26%
GBPound/USDollar	1.3479	1.3433	-0.0046	-0.34%
AusDollar/USDollar	0.7424	0.7429	0.0005	0.07%
JpyYen/USDollar	103.9400	103.9700	0.0300	0.03%

BDLive - The JSE gained for the fourth day on Friday, reaching its best level in four years on Covid-19 vaccine and US stimulus optimism, even as new Covid-19 restrictions threatened sentiment. This week, the UK became the first country to authorise emergency use of a vaccine developed by Pfizer and BioNTech, marking another step in the battle against the pandemic... World shares held at record highs on Friday, buoyed by growing prospects of a US economic stimulus package, while desire for riskier assets kept the safe-haven dollar at a 2.5-year low.

A bipartisan, \$908bn coronavirus aid plan gained momentum in the US Congress on Thursday as conservative lawmakers expressed their support.

"A deal before the year-end looked almost impossible a while back, but now a package of about \$1-trillion seems within reach," said Norihito Fujito, chief investment strategist at Mitsubishi UFJ Morgan Stanley Securities.



### Commodities

	Last	Value Change	% Change
Platinum	1028.35	-26.16	-2.54%
Gold	1838.71	1.10	0.06%
Silver	24.12	-0.05	-0.19%
Copper	3.52	-0.01	-0.24%
Gasoil	398.00	0.50	0.13%
Brent Oil	49.00	-0.25	-0.51%

BDLive - Bengaluru - Gold prices firmed on Friday, set for their first weekly gain in four, as growing optimism over a US fiscal stimulus deal pressured the dollar and boosted the metal's appeal as an inflation hedge.

Spot gold rose 0.2% to \$1,843.99/oz by 3.10am GMT. US gold futures were up 0.4% at \$1,847.90/oz. Gold has added more than 3% so far this week.

"Upward momentum [in gold] is strong partly because of a weakening dollar and prices have been technically oversold, so it's also a technical rebound," said Margaret Yang, a strategist at DailyFX, adding that the metal could find strong support at \$1,800/oz and \$1,750/oz. Yang, however, warned there could be downside risks if economic recovery quickens and inflation overshoots, prompting the US Federal Reserve to hold back on monetary stimulus that could strengthen the dollar.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	54171.85	328.19	0.61%
ALSI	54405.00	0.00	0.00%
S&P 500	3666.72	32.40	0.88%
FTSE	6490.27	59.96	0.92%
CAC	5609.15	0.00	0.00%
DAX	13252.86	46.10	0.35%
Hang Seng	26835.92	-433.48	-1.62%



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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	422.00	417.00	The record	-5.00	415.75	-1.25	-6.25
MAR 2021	426.00	420.50	The record	-5.50	418.50	-2.00	-7.50
MAY 2021	428.00	423.25	The record	-4.75	421.00	-2.25	-7.00
JUL 2021	428.00	424.00	The record	-4.00	422.00	-2.00	-6.00
SEP 2021	413.00	410.50	The record	-2.50	409.75	-0.75	-3.25

FarmFutures - Corn prices faded more than 1% lower Friday as traders continue to unwind their net long position as they await more positive export news, especially in regards to new China sales. Nearby contracts lost nearly 2.5% since Monday's open. Today, December futures dropped 5.5 cents to \$4.17, while March futures fell 6.25 cents to \$4.2025. Corn basis bids held mostly steady across the central U.S. Movements of note included a 6-cent drop at an Illinois ethanol plant and a 3-cent increase at a Iowa processor today. Private exporters announced to USDA the sale of 7.2 million bushels of corn for delivery to Mexico during the 2020/21 marketing year, which began September 1. Brazilian consultancy AgRural has once again trimmed its forecast for 2020/21 summer corn production (which represents about 20% of Brazil's total corn production) due to dry weather persisting in the state of Rio Grande do Sul. AgRural estimates fell by 6.3% to 763.7 million bushels. The country's second corn (safinha) crop will be planted early next year. Ukraine's 2020/21 corn exports are down nearly 26% below last year's pace so far, with 237.4 million bushels. A lot of that trend is due to a smaller harvest this fall versus 2019's record-breaking production. South Korea purchased 2.7 million bushels of corn from optional origins in a private deal today. The grain is for arrival by mid-May.

Algeria purchased 1.4 million bushels of animal feed corn in an international tender that closed yesterday. The grain is for shipment in early January.

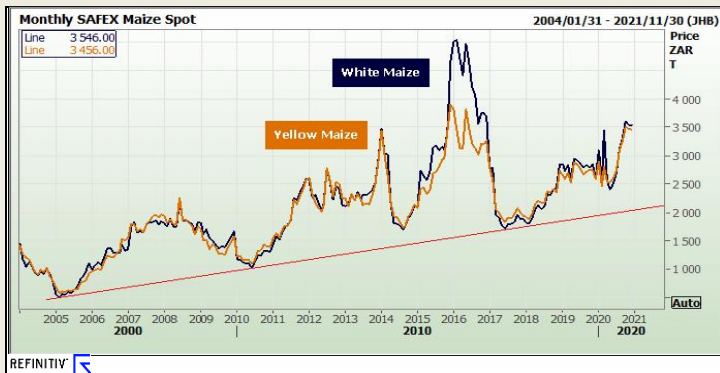
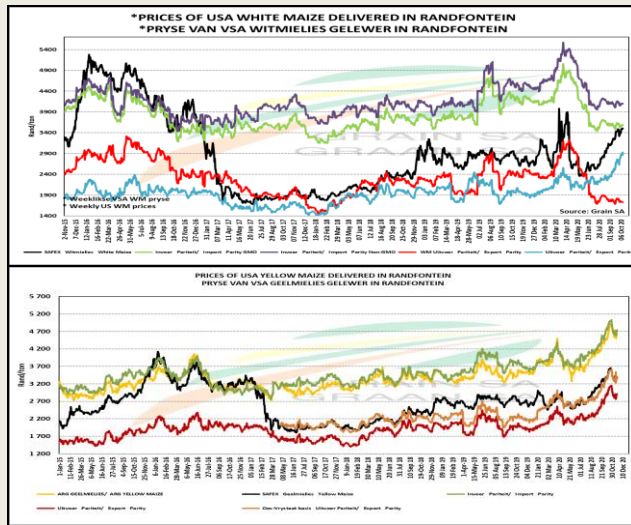
Preliminary volume estimates were for 244,344 contracts, falling short of Thursday's final count of 272,685.



### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
Dec 2020	R 3 546.00	27%	R -33.08	R 3 512.92
Mar 2021	R 3 496.00	33.75%	R -40.52	R 3 455.48
May 2021	R 2 976.00	31.5%	R -37.51	R 2 938.49
Jul 2021	R 2 902.00	25%	R -31.52	R 2 870.48
Sep 2021	R 2 964.00	0%	R -15.20	R 2 948.80
Dec 2021				
Dec 2021				
<b>Yellow Maize Future</b>				
Dec 2020	R 3 456.00	24.5%	R -33.08	R 3 422.92
Mar 2021	R 3 426.00	25%	R -40.52	R 3 385.48
May 2021	R 2 980.00	23%	R -37.51	R 2 942.49
Jul 2021	R 2 948.00	22.75%	R -31.52	R 2 916.48
Sep 2021	R 3 010.00	0%	R -15.20	R 2 994.80
Dec 2021	R 3 088.00	21%		R 3 088.00
Dec 2021	R 3 088.00	21%		R 3 088.00

The local Maize market traded lower yesterday. The Dec'20 WMAZ contract ended R14.00 down and Dec'20 YMAZ closed R17.00 lower. The Mar'20 WMAZ closed lower by R20.00 and Mar'20 YMAZ ended R19.00 down. The parity move for the Dec'20 Maize contract for yesterday was R35.00 negative.

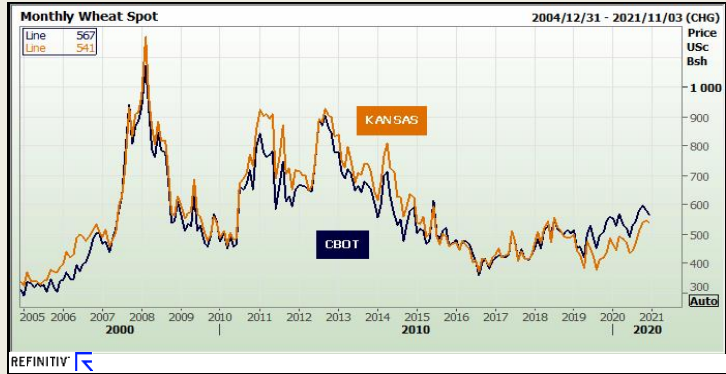


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## Wheat Market

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

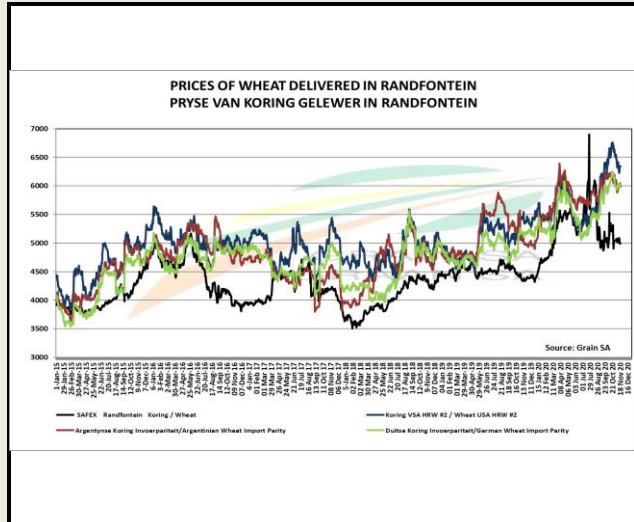
CBOT Wheat							KBOT Wheat								
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm	Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
DEC 2020	569.75	566.50	The record d	-3.25	0.00	-566.50	-569.75	DEC 2010	541.75	541.25	The record	-0.50	0.00	-541.25	-541.75
MAR 2021	582.00	575.50	The record d	-6.50	572.75	-2.75	-9.25	MAR 2011	549.00	542.75	The record	-6.25	539.00	-3.75	-10.00
MAY 2021	586.00	578.75	The record d	-7.25	576.50	-2.25	-9.50	MAY 2011	554.00	549.00	The record	-5.00	546.75	-2.25	-7.25
JUL 2021	585.00	579.50	The record d	-5.50	577.25	-2.25	-7.75	JUL 2011	558.00	552.25	The record	-5.75	550.00	-2.25	-8.00
SEP 2021	589.00	583.75	The record d	-5.25	529.00	-54.75	-60.00	SEP 2011	564.00	557.75	The record	-6.25	555.25	-2.50	-8.75



FarmFutures - Wheat prices fell once again Friday, with lingering worries over an expected boost in Canadian and Australian production and fierce competition from the Black Sea region triggering another round of technical selling today. December Chicago SRW futures fell 5.25 cents to \$5.6650, December Kansas City HRW futures dipped a penny lower to \$5.44, and December MGEX spring wheat futures dropped 1.25 cents to \$5.3925. Ukraine's 2020/21 wheat exports are down 11.5% from the same time a year ago, with 447.1 million bushels since July 1. Ukraine accounts for approximately 16% of the world's total grain exports. Turkey purchased 14.7 million bushels of red milling wheat from optional origins in an international tender that closed earlier today. A large portion of the sale was expected to be sourced from Russia. The grain is for shipment in January. French exports of soft wheat outside of the European Union hit seasonal highs in November, climbing to 32.2 million bushels last month. China took nearly half of that total, with Algeria and Morocco rounding out the top three. FranceAgriMer won't offer additional crop updates until February, taking into account winter dormancy until that time. Preliminary volume estimates were for an anemic 65,298 CBOT contracts, falling moderately below Thursday's final count of 80,709.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
Dec 2020	R 4 730.00	8%	R -3 179.31	R 1 550.69
Mar 2021	R 4 822.00	9%	R -46.10	R 4 775.90
May 2021	R 4 880.00	0%	R -47.46	R 4 832.54
Jul 2021	R 4 900.00	0%	R -37.69	R 4 862.31
Sep 2021	R 4 741.00	0%	R -329.72	R 4 411.28
Dec 2021				
Dec 2021				
<b>Cape Wheat</b>				
Dec 2020				
Mar 2021				
May 2021				
Jul 2021				
Sep 2021				
Dec 2021				
Dec 2021				



The local Wheat market closed lower yesterday. The Dec'20 Wheat contract closed R50.00 down and Mar'20 Wheat closed R49.00 lower. The parity move for the Dec'20 Wheat contract for yesterday was R18.00 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
JAN 2021	1172.00	1163.00	The record	-9.00	902.00	-261.00
MAR 2021	1174.00	1165.00	The record	-9.00	1158.25	-6.75
MAY 2021	1172.00	1163.75	The record	-8.25	1157.00	-6.75
JUL 2021	1169.00	1160.75	The record	-8.25	1154.75	-6.00
AUG 2021	1147.00	1140.75	The record	-6.25	1137.50	-3.25

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
DEC 2010	388.8	387.20
JAN 2011	385.5	383.70
MAR 2011	383.9	382.40
MAY 2011	381.2	379.80
JUL 2011	379.4	378.10

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
DEC 2010	39.19	39.19
JAN 2011	38.41	38.03
MAR 2011	38.13	37.80
MAY 2011	37.86	37.57
JUL 2011	37.66	37.40



FarmFutures - Soybean prices saw another round of moderate cuts today, as traders still anticipate a potentially record-breaking production in Brazil. Since opening just 2 cents shy of \$12 per bushel on Monday morning, nearby contracts shifted 3% lower by Friday's close. Today, January futures dropped 6.75 cents to \$11.6150, while March futures lost 7 cents to \$11.6375.

Soybean basis bids remained flat across Midwestern locations Friday. Farmer sales have been generally slow as the week wraps up.

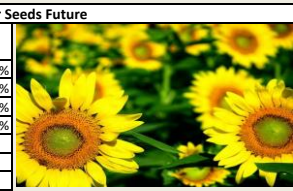
A group of 13 analysts polled by Reuters still thinks Brazil's 2020/21 soybean production could rewrite the record books this year, despite a dry start to the season. The average trade guess was for a total production of 4.842 billion bushels. That would be a 5.6% increase from last year, if realized.

Two South Korean feed groups purchased a total of 185,000 metric tons of soymeal in private deals. The grain is likely sourced from South America and is for arrival in late June. Preliminary volume estimates were for 173,663 contracts, shifting 11% below Thursday's final count of 195,078.

### South African Futures Exchange

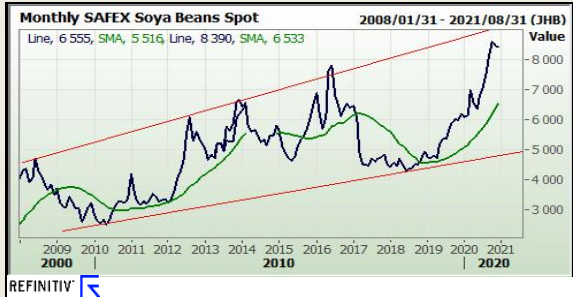
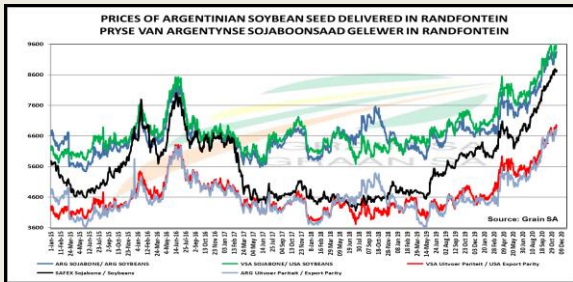
	Soybean Future			
	MTM	Vols	Parity Change	Market Price
Dec 2020	R 8 390.00	15%		R 8 390.00
Mar 2021	R 8 217.00	17%	R -76.74	R 8 140.26
May 2021	R 7 400.00	17%	R -72.56	R 7 327.44
Jul 2021	R 7 455.00	21.5%	R -68.40	R 7 386.60
Sep 2021				
Dec 2021	R 7 648.00	0%		R 7 648.00
Dec 2021	R 7 648.00	0%		R 7 648.00

	Sunflower Seeds Future	
	MTM	Vols
Dec 2020	R 8 800.00	16%
Mar 2021	R 8 738.00	18%
May 2021	R 7 900.00	21.5%
Jul 2021	R 7 950.00	22%
Sep 2021		
Dec 2021		
Dec 2021		



The local Soya market traded mixed yesterday. The Dec'20 Soya contract ended R60.00 down while Mar'20 Soya closed R19.00 higher. The parity move for the Dec'20 Soya contract for yesterday was R75.00 negative.

The local Suns market closed lower yesterday. The Dec'20 Suns contract closed R84.00 down and Mar'20 Suns closed R24.00 lower.



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