



# **Fundamental Report**

## **21 July 2022**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	17.0559	17.1138	0.0579	0.34%
Euro/Rand	17.4787	17.4685	-0.0102	-0.06%
GBPound/Rand	20.4938	20.5027	0.0089	0.04%
AusDollar/Rand	11.8061	11.8000	-0.0061	-0.05%
Euro/USDollar	1.0250	1.0207	-0.0043	-0.42%
GBPound/USDollar	1.2023	1.1981	-0.0042	-0.35%
AusDollar/USDollar	0.6922	0.6895	-0.0027	-0.39%
JpyYen/USDollar	138.1400	138.0900	-0.0500	-0.04%

BDLive - The JSE and rand were weaker on Wednesday, as investors digested higher-than-expected local inflation data.

Data from Stats SA showed consumer price index (CPI) accelerated at a rate of 7.4% in June from 6.5% in May, well above the upper band of the Reserve Bank's inflation targeting range of 3%-6%. This is the highest rate since May 2009, when inflation reached 8%. The number is also above economists' expectations of 7.2%.

Annual core inflation, which excludes prices of food, nonalcoholic beverages, fuel and energy, rose to 4.4% in June, reaching its highest level since March 2019, from 4.1% in the prior month.

Global financial markets have been under pressure in the past months. Expectations of much higher interest rates and worsening economic conditions prompted volatility as markets come to terms with central banks being willing to risk recession in their bid to tame rampant inflation.



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### Commodities

	Last	Value Change	% Change
Platinum	853.43	-4.64	-0.54%
Gold	1691.43	-5.00	-0.30%
Silver	18.55	-0.10	-0.56%
Copper	3.28	-0.05	-1.39%
Gasoil	1065.50	-6.25	-0.59%
Brent Oil	106.27	-0.65	-0.61%

BDLive - Bengaluru — Gold was little changed on Wednesday as it failed to make the most of a pullback in the dollar, with demand for bullion being restrained amid prospects of aggressive monetary policies and rising US bond yields.

Spot gold was flat at \$1,711.00/oz by 2.48am GMT. US gold futures fell 0.1% to \$1,708.80. The dollar eased for a fourth consecutive session, though it stayed at elevated levels, making greenback-priced bullion less expensive for buyers holding other currencies.

Benchmark US 10-year treasury yields rose, lowering the appeal of non-yielding bullion.



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### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	61379.04	0.00	0.00%
ALSI	61685.00	0.00	0.00%
S&P 500	3936.69	23.21	0.59%
FTSE	7296.28	-31.97	-0.44%
CAC	6184.66	0.00	0.00%
DAX	13281.98	0.00	0.00%
Hang Seng	20890.22	-279.41	-1.34%



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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 2022	597.75	592.25	The record	-5.50	588.00	-4.25	-9.75
DEC 2022	594.75	590.00	The record	-4.75	585.75	-4.25	-9.00
MAR 2023	595.25	596.25	The record	1.00	592.25	-4.00	-3.00
MAY 2023	594.25	600.75	The record	6.50	596.50	-4.25	2.25
JUL 2023	626.50	600.50	The record	-26.00	596.25	-4.25	-30.25

FarmProgress - Corn traded slightly lower today on the improvement in the forecast for next week. September corn settled at \$5.92 ¼, down 4 ½ cents on the day. December Corn settled at 5.90, down 5 ¼ cents on the day.

The Weekly EIA Ethanol Report was released this morning. Ethanol production rebounded 29 K bpd to come in at 1.034 mbpd, topping the average trade estimate by 20 K and, exceeding the upper end of the 996-1.030 mb range. Ethanol Stocks slipped 53 K to 21.55 mb, or 46 K above the trade's 23.507 average.

While U.S. corn export shipments are holding up fairly well at 43 mbu per week (seasonal average is 46 and we did 51 last year); sales aren't so good. Combined old/new crop sales at 17 mbu per week are about one-third of the 5-year seasonal average.

Brazil's corn export line-up was 20 million week-to-week on Monday at 236 million, an increase of 105 mbu or 125% compared to the numbers from a year ago.

Is feed demand faltering? A Bloomberg survey has June placements falling to 1.57 million, almost the largest decline in nearly 12 months.

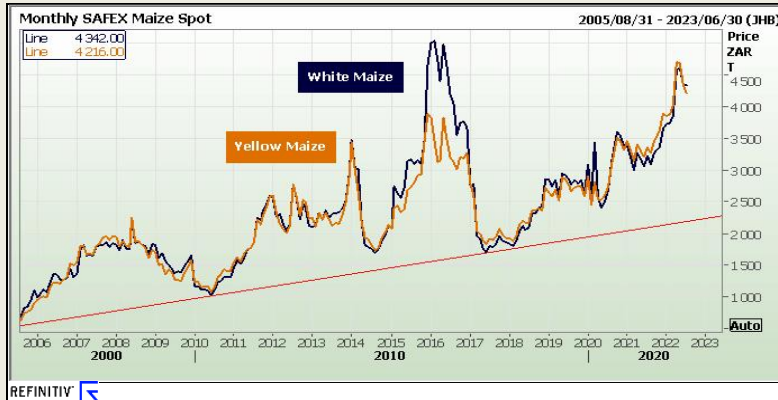
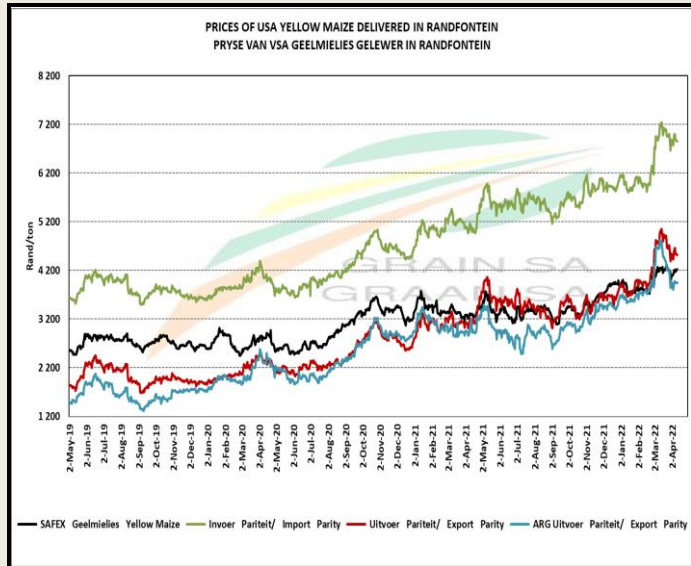


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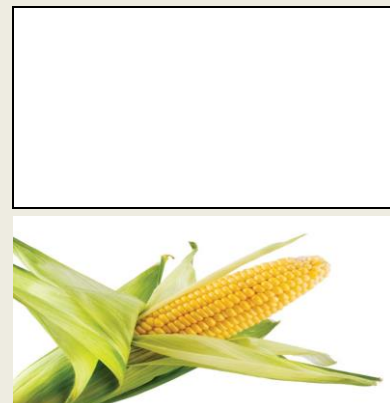
### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
Jul 2022	R 4 342.00	26.5%		R 4 342.00
Sep 2022	R 4 321.00	26.5%	R -52.06	R 4 268.94
Dec 2022	R 4 387.00	24.5%	R -47.08	R 4 339.92
Mar 2023	R 4 373.00	23.75%	R -6.64	R 4 366.36
May 2023	R 4 143.00	13.5%	R 28.70	R 4 171.70
Jul 2023	R 4 088.00	23.25%	R -189.52	R 3 898.48
Sep 2023				
<b>Yellow Maize Future</b>				
Jul 2022	R 4 216.00	24%		R 4 216.00
Sep 2022	R 4 271.00	24.75%	R -52.06	R 4 218.94
Dec 2022	R 4 350.00	22.75%	R -47.08	R 4 302.92
Mar 2023	R 4 343.00	21.25%	R -6.64	R 4 336.36
May 2023	R 4 175.00	22%	R 28.70	R 4 203.70
Jul 2023	R 4 063.00	19.5%	R -189.52	R 3 873.48
Sep 2023				

The local Maize market traded lower yesterday. The Jul'22 WMAZ contract ended R1.00 down and Jul'22 YMAZ closed R32.00 lower. The Sep'22 WMAZ closed lower by R27.00 and Sep'22 YMAZ ended R29.00 down. The parity move for the Jul'22 Maize contract for yesterday was R52.00 negative.



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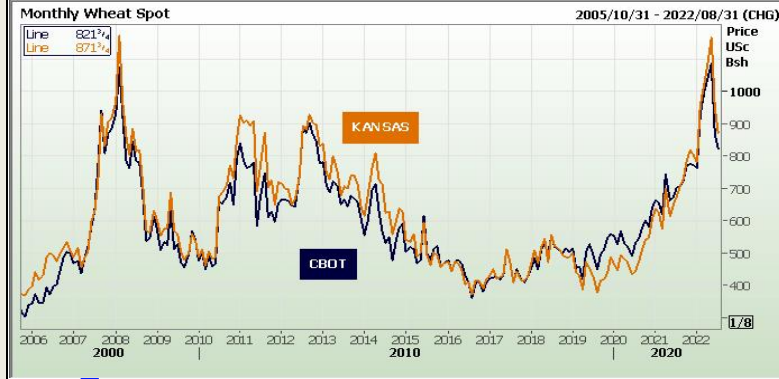


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## Wheat Market

### 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 2022	836.75	819.50	The record c	-17.25	821.75	2.25	-15.00	SEP 2012	891.25	870.50	The record	-20.75	871.75	1.25	-19.50
DEC 2022	852.50	835.25	The record c	-17.25	837.75	2.50	-14.75	DEC 2012	898.00	877.75	The record	-20.25	878.75	1.00	-19.25
MAR 2023	867.00	848.75	The record c	-18.25	851.25	2.50	-15.75	MAR 2013	880.50	883.25	The record	2.75	886.25	3.00	5.75
MAY 2023	873.25	855.25	The record c	-18.00	860.25	5.00	-13.00	MAY 2013	884.50	885.25	The record	0.75	886.25	1.00	1.75
JUL 2023	860.75	843.50	The record c	-17.25	529.00	-314.50	-331.75	JUL 2013	1018.00	872.75	The record	-145.25	869.00	-3.75	-149.00



FarmProgress - Volatile trading occurred in wheat today with all 3 classes settling 30 cents off their highs. Rain and cooler temperatures are in the forecast for Russia. September Chicago Wheat squeaked in at \$8.14 ¼, up 2 cents from yesterday. September KC Wheat settled at \$8.65, down .04 ¼ on the day while Minneapolis Wheat dropped .08 settling at \$9.21 ¼ on the day.

Egypt passed on its tender but will be back today for another attempt. Sources say they are considering moving to negotiating differently than the normal announced tender processes.

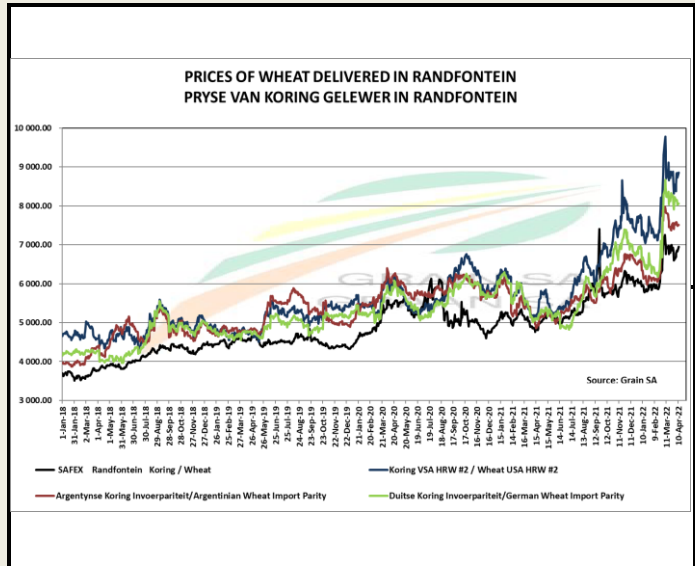
Russia announced plans to begin buying up to 1 MMT of wheat of its state reserves in August. Wheat harvest has already reached 22 MMT. Yields to date at 4.32 MT/HA are up 25% versus last year.

Pakistan seeks 200 K of milling wheat for September shipment.

Thanks to some very solid export sales last week, the latest 4-week average of 21 per week is at a 9-year high and 50% above the seasonal average. Would expect near-term exports to run close to 18-20 per week.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
Jul 2022	R 7 426.00	17%		R 7 426.00
Sep 2022	R 7 420.00	20.5%	R -76.52	R 7 343.48
Dec 2022	R 7 100.00	18.5%	R -74.61	R 7 025.39
Mar 2023	R 7 186.00	0%	R -80.59	R 7 105.41
May 2023				
Jul 2023				
Sep 2023				
<b>Cape Wheat</b>				
Jul 2022				
Sep 2022				
Dec 2022				
Mar 2023				
May 2023				
Jul 2023				
Sep 2023				



The local Wheat market closed mixed yesterday. The Jul'22 Weat contract closed R12.00 down while Sep'22 Weat closed R38.00 higher. The parity move for the Jul'22 Weat contract for yesterday was R76.00 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
AUG 2022	1470.50	1449.00	The record	-21.50	902.00	-547.00	-568.50
SEP 2022	1501.00	1350.50	The record	-150.50	1344.75	-5.75	-156.25
NOV 2022	1351.50	1332.25	The record	-19.25	1325.25	-7.00	-26.25
JAN 2023	1342.50	1340.00	The record	-2.50	1333.50	-6.50	-9.00
MAR 2023	1371.25	1340.75	The record	-30.50	1334.00	-6.75	-37.25

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
AUG 2012	436.5	435.90
SEP 2012	406.5	406.50
OCT 2012	392.5	391.70
DEC 2012	390.9	390.30
JAN 2013	389.6	389.00

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
AUG 2012	60.03	59.25
SEP 2012	58.82	58.08
OCT 2012	57.95	57.29
DEC 2012	57.6	57.03
JAN 2013	57.45	56.85



FarmProgress - Soybeans lost double digits today from the forecast improvement. August Soybeans settled at \$14.49, down 28 1/2 cents on the day. November futures closed down 26 cents at \$13.32 1/2. Both months settled with the lowest close since July 6.

Export bean demand? Perhaps an aberration but old and new crop sales over the past month are averaging a mere 1.2 mbu per week. The 5-year seasonal average is 26 and last year the pace was just over 22. The latest numbers are a 19-year low. But that being said, the USDA announced a Daily Sale today of 136 MT 2022-23 Soybeans sold to China...

ANEC expects Brazil's July SB exports to reach 7.9 MMT, below the 8.7 MMT shipped in July of 2021. Shipments the first 11 days of the month are however, running 16% ahead of LY at 5.0 MMT. Rather than declining seasonally, Brazil's soybean export line-up increased 10 to 200 mbu, 7 fewer than a year ago. SBM fell 97 K to 1.75 MMT but is 30%/400 K larger than a year ago. Argentina's June crush was a couple 100 Ks below expectations, coming in at 3.9 MMT and down a similar number vs 2021.

China is said to be fully covered on its July needs with August at 80-88%, depending on your source. South Korea bought 60 K MT of South American soybean meal at \$538 CNF for late Sep-early Oct loading. Gulf Soybean meal has become increasingly uncompetitive versus South America in recent weeks. The Gulf's premium to Brazil and Argentine meal has risen from \$25-\$30 compared to Brazil and \$35-\$40 versus Argentina in early June to over \$70 per MT in both cases of late.

### South African Futures Exchange

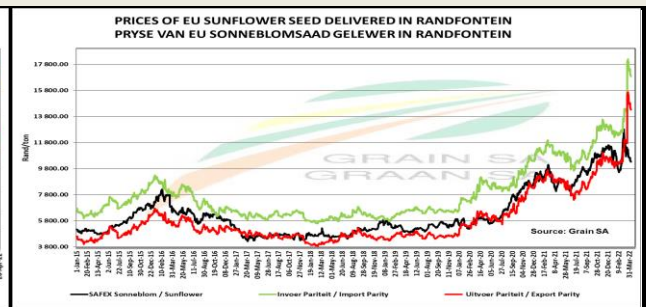
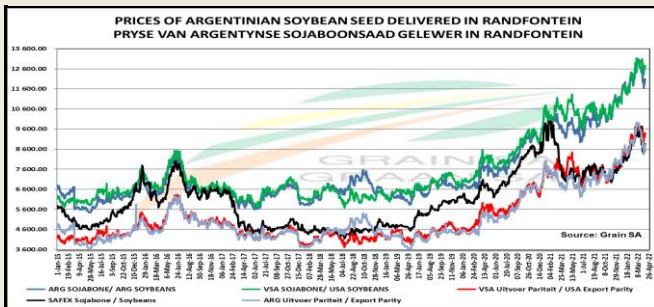
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Jul 2022	R 8 116.00	23%		R 8 116.00
Sep 2022	R 8 210.00	21%	R -950.60	R 7 259.40
Dec 2022	R 8 369.00	18.5%		R 8 369.00
Mar 2023	R 8 431.00	0%	R -205.06	R 8 225.94
May 2023	R 8 180.00	18%		R 8 180.00
Jul 2023				
Sep 2023				

Sunflower Seeds Future		
	MTM	Vols
Jul 2022	R 10 376.00	24.5%
Sep 2022	R 10 518.00	23.5%
Dec 2022	R 10 699.00	24%
Mar 2023	R 10 526.00	0%
May 2023	R 10 000.00	0%
Jul 2023		
Sep 2023		



The local Soya market traded lower yesterday. The Jul'22 Soya contract ended R42.00 down and Sep'22 Soya closed R66.00 lower. The parity move for the Jul'22 Soya contract for yesterday was R129.00 negative.

The local Suns market closed higher yesterday. The Jul'22 Suns contract closed R25.00 up and Sep'22 Suns closed R28.00 higher.



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