



# **Fundamental Report**

## **22 July 2022**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	17.0559	17.0278	-0.0281	-0.16%
Euro/Rand	17.5136	17.3603	-0.1533	-0.88%
GBPound/Rand	20.4938	20.3794	-0.1144	-0.56%
AusDollar/Rand	11.8061	11.7662	-0.0399	-0.34%
Euro/USDollar	1.0250	1.0189	-0.0061	-0.60%
GBPound/USDollar	1.2023	1.1964	-0.0059	-0.49%
AusDollar/USDollar	0.6922	0.6910	-0.0012	-0.17%
JpyYen/USDollar	138.1400	137.6500	-0.4900	-0.35%

BDLive - The JSE closed firmer amid mixed global peers on Thursday, while the rand also firmed as investors digested policy decisions by the Reserve Bank and the European Central Bank (ECB).

The Reserve Bank's monetary policy committee (MPC) raised the repo rate for a fifth successive meeting — by 75 basis points (bps) to 5.5% — in a move to curb accelerating inflation, which remained above the Bank's target range of 3%-6%. Annual consumer inflation reached a 13-year high of 7.4% in June, well above May's 6.5%, according to latest figures from Stats SA.

The interest-rate decision came after a 3-1-1 vote, with three MPC members opting for the 75 bps hike while the others sought increases of 50 bps and 100 bps.



### Commodities

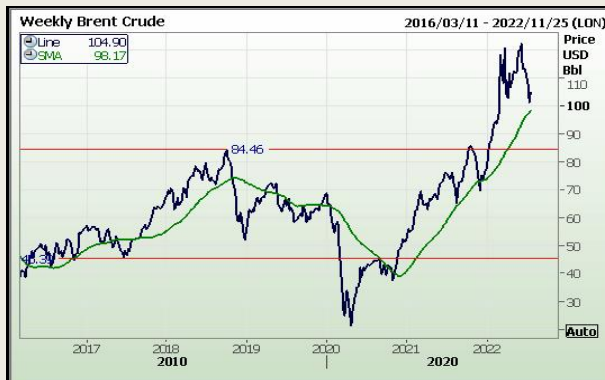
	Last	Value Change	% Change
Platinum	874.27	2.54	0.29%
Gold	1713.64	-4.85	-0.28%
Silver	18.74	-0.10	-0.53%
Copper	3.32	0.02	0.53%
Gasoil	1056.00	29.50	2.79%
Brent Oil	104.90	1.04	0.99%

BDLive - Bengaluru — Gold prices fell on Thursday to their lowest in nearly a year, as the prospect of more interest rate hikes by central banks to combat soaring inflation weighed on bullion's appeal.

Though gold is seen as a hedge against inflation, rising interest rates increase the opportunity cost of holding bullion, which pays no interest.

Spot gold was down 0.3% at \$1,691.84/oz by 3.13am GMT, after falling to its lowest since early August 2021 at \$1,689.40 earlier in the session. US gold futures fell 0.6% to \$1,690.40/oz.

"Clearly inflation expectations are receding because the Fed and other central banks are embarking on aggressive tightening regime, which is undermining gold's appeal," said Ilya Spivak, a currency strategist at DailyFX.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	61646.59	0.00	0.00%
ALSI	61767.00	0.00	0.00%
S&P 500	3959.90	39.05	0.99%
FTSE	7264.31	6.20	0.09%
CAC	6201.11	0.00	0.00%
DAX	13246.64	0.00	0.00%
Hang Seng	20574.63	29.26	0.14%



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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	575.75	The record	-22.00	569.25	-6.50	-28.50
DEC 2022	582.25	573.50	The record	-8.75	567.00	-6.50	-15.25
MAR 2023	595.25	580.25	The record	-15.00	573.50	-6.75	-21.75
MAY 2023	594.25	584.75	The record	-9.50	578.00	-6.75	-16.25
JUL 2023	626.50	585.00	The record	-41.50	578.00	-7.00	-48.50

FarmProgress - Corn traded mostly lower today as the weather forecast continues to be largely non-threatening. September corn settled at \$5.75 ½, down 16 ½ cents on the day. December Corn settled at 5.73 ½, down 16 ½ cents on the day.

Corn Export Sales totals released this morning were decent. 1.3 million bushels of old crop were sold in this last week with the trade figuring the range to be from -4 mbu to sales just over 8 mbu. New crop sales came in at 22.4 mbu, above the 4-20 estimated range. Milo Export Sales numbers were light. 230 thousand bushels were sold versus 2.3 mbu per week needed to meet the export forecast.



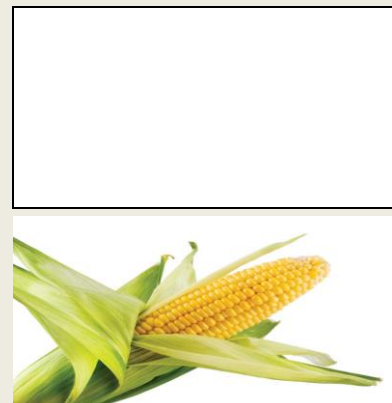
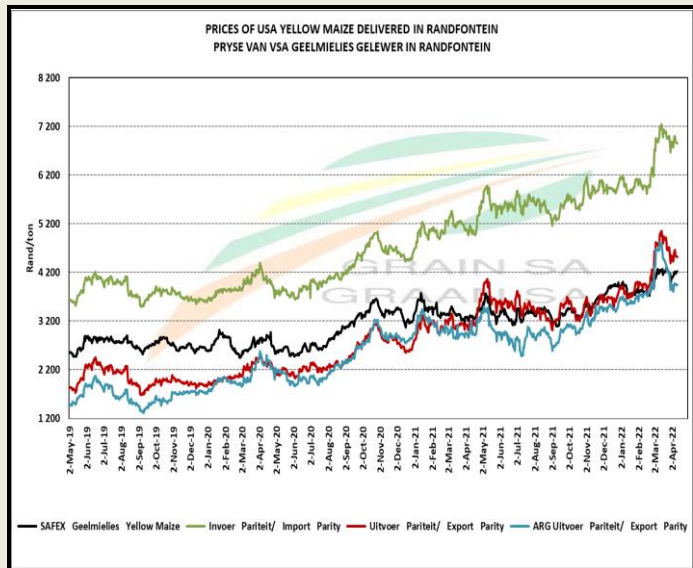
China's sow herd was 42.77 million head, up 2% from May but 6% below a year ago. This is the second month in a row of herd increases after a year of falling stocks. Production has increased recently due to the rise in hog prices. The herd is forecasted to increase in the next two months as well. Hopefully this will bring some grain demand the U.S. will supply. Possibly not related, but there are reports Sinograin and Cofco are price checking February and March U.S. soybeans. Purchases of 8-12 cargoes of new crop soybeans were said to have been transacted.

ANEC trimmed its July Brazilian corn export forecast 300 K to 5.9 million MT. Even so, it is still nearly double the July 2021 total of 3 million MT.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
Jul 2022	R 4 303.00	26.5%		R 4 303.00
Sep 2022	R 4 281.00	26.5%	R -197.66	R 4 083.34
Dec 2022	R 4 349.00	24.5%	R -108.67	R 4 240.33
Mar 2023	R 4 325.00	23.75%	R -152.39	R 4 172.61
May 2023	R 4 088.00	13.5%	R -115.51	R 3 972.49
Jul 2023	R 4 031.00	23.25%	R -332.05	R 3 698.95
Sep 2023				
<b>Yellow Maize Future</b>				
Jul 2022	R 4 158.00	24%		R 4 158.00
Sep 2022	R 4 224.00	24.75%	R -197.66	R 4 026.34
Dec 2022	R 4 291.00	22%	R -108.67	R 4 182.33
Mar 2023	R 4 275.00	21.25%	R -152.39	R 4 122.61
May 2023	R 4 105.00	22%	R -115.51	R 3 989.49
Jul 2023	R 4 020.00	19.5%	R -332.05	R 3 687.95
Sep 2023				

The local Maize market traded lower yesterday. The Jul'22 WMAZ contract ended R39.00 down and Jul'22 YMAZ closed R58.00 lower. The Sep'22 WMAZ closed lower by R40.00 and Sep'22 YMAZ ended R47.00 down. The parity move for the Jul'22 Maize contract for yesterday was R151.00 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 2022	836.75	806.25	The record c	-30.50	786.50	-19.75	-50.25	SEP 2012	891.25	861.25	The record	-30.00	843.00	-18.25	-48.25
DEC 2022	852.50	821.75	The record c	-30.75	801.25	-20.50	-51.25	DEC 2012	898.00	867.75	The record	-30.25	850.75	-17.00	-47.25
MAR 2023	867.00	835.00	The record c	-32.00	814.25	-20.75	-52.75	MAR 2013	880.50	872.50	The record	-8.00	859.50	-13.00	-21.00
MAY 2023	873.25	841.50	The record c	-31.75	821.00	-20.50	-52.25	MAY 2013	884.50	873.50	The record	-11.00	861.75	-11.75	-22.75
JUL 2023	860.75	829.75	The record c	-31.00	529.00	-300.75	-331.75	JUL 2013	1018.00	859.00	The record	-159.00	840.00	-19.00	-178.00



FarmProgress - Wheat could not hold onto its early gains today despite good export sales numbers. Chicago Wheat dropped to \$8.06 ¼, down 13 ¼ cents on the day. September KC Wheat settled at \$8.61 ¼, down .09 ¼ on the day while Minneapolis Wheat dropped .11 ¼ settling at \$9.12 ¼.

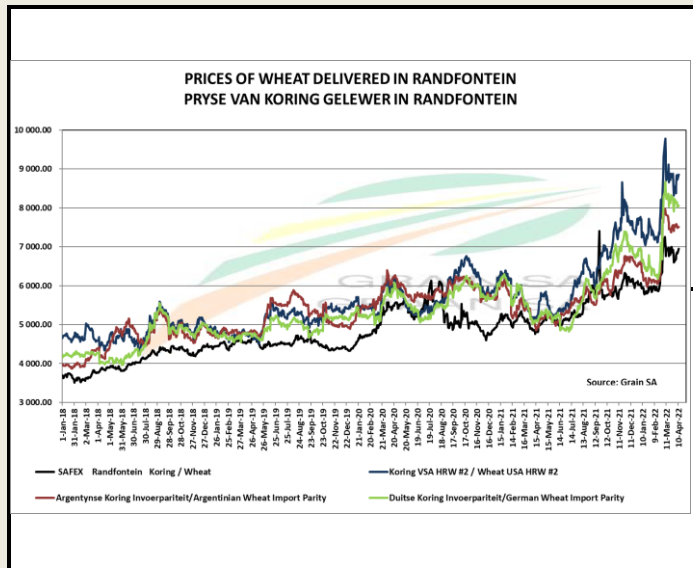
Today's Wheat Export Sales were down from 37.4 mbu last week to 18.8 mbu. The trade ideas were 11-31 mbu with 11 per week needed. Sales by Class for HRW were 5.2 mbu this week (8.9 last week); HRS had 6.8- mbu (8.6); SRW sold 3.4 mbu (7.8); White wheat had 3.4 mbu (11.1); and Durum had zero (1.1).

Egypt re-entered the wheat market yesterday, buying 420 K European Union wheat along with 220 from Russia.

Is the Russian crop larger than expected? SovEcon boosted its production estimate 1.7 million to 90.9, almost 10 MORE than the July WASDE. They may have to scale back the 42.6 MMT export estimate as business remains sluggish (USDA: 40.0).

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
Jul 2022	R 7 450.00	17%		R 7 450.00
Sep 2022	R 7 420.00	20.5%	R -323.04	R 7 096.96
Dec 2022	R 7 111.00	18.5%	R -329.46	R 6 781.54
Mar 2023	R 7 192.00	0%	R -338.99	R 6 853.01
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 Wheat contract closed R24.00 up while Sep'22 Wheat closed unchanged. The parity move for the Jul'22 Wheat contract for yesterday was R237.00 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	1418.50	The record	-52.00	902.00	-516.50	-568.50
SEP 2022	1501.00	1317.00	The record	-184.00	1309.00	-8.00	-192.00
NOV 2022	1351.50	1301.50	The record	-50.00	1295.25	-6.25	-56.25
JAN 2023	1342.50	1309.50	The record	-33.00	1300.75	-8.75	-41.75
MAR 2023	1371.25	1311.50	The record	-59.75	1302.75	-8.75	-68.50

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
AUG 2012	434.4	431.90
SEP 2012	402.9	400.50
OCT 2012	386.9	384.70
DEC 2012	385.2	383.50
JAN 2013	383.7	382.10

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
AUG 2012	58.6	58.45
SEP 2012	57.17	57.04
OCT 2012	56.35	56.18
DEC 2012	56.06	55.86
JAN 2013	55.94	55.71



FarmProgress - Soybeans had another hard day despite relatively okay export sales. With the Brazilian Real falling over 1% and the benign weather outlook, August Soybeans settled at \$14.18 1/4, down 30 1/2 cents on the day. November futures closed down 30 1/2 cents at \$13.01 1/4. This is the lowest settlement price for November soybeans since Jan. 19 of this year.

Soybean Export Sales had a good showing for old crop beans while new crop was mid-range. Old crop sales totaled 7.5 mbu beating the trade expectations that ranged from (7) to +7. New crop sales totaled 9.4 mbu which was slightly above the middle as 0-18 were estimated. China did buy 5.4 mbu of 21-22 beans and 5.0 mbu for 22-23. In Product Export Sales, soybean meal improved from the meager 8 K last week to 109 K this week, landing above the 89 per week implied USDA pace. New crop meal, however, fell from 146 K last week to 28 K this week. Nearly 90% of the soybean meal sales were to the Philippines but there was not much interest otherwise. Soybean oil sales were down slightly from last week with 600 tonnes of old crop reported. The implied weekly pace is 9.1 MT.

ANEC revised its estimate of Brazil's July soybean exports 700 K lower to 7.2 MMT, against 8.7 a year ago. However, soybean meal shipments continue at a robust pace with the latest estimate 100 K greater at 2.2 million which is a 1/2 MMT increase over the July 2021 total.

### South African Futures Exchange

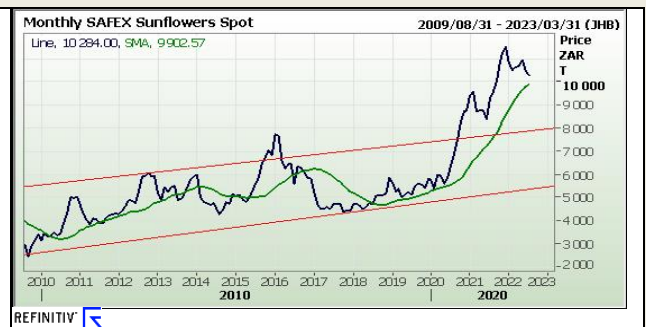
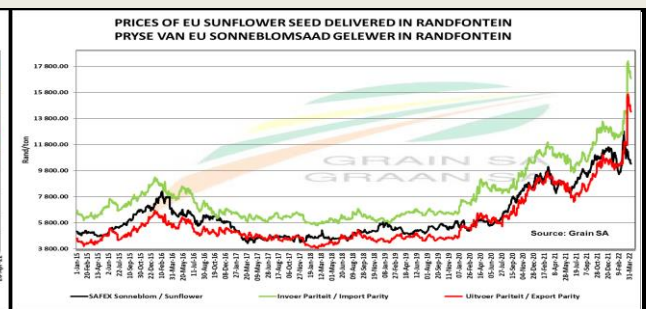
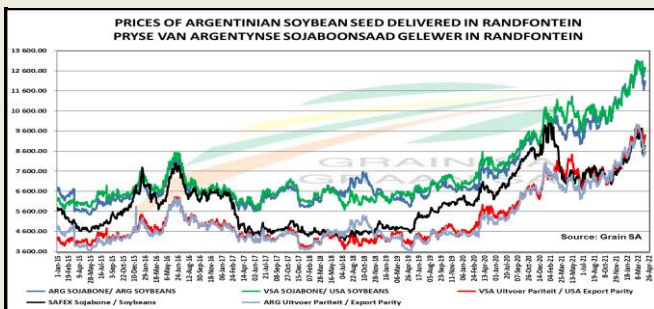
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Jul 2022	R 8 084.00	23%		R 8 084.00
Sep 2022	R 8 188.00	21%	R -1 216.77	R 6 971.23
Dec 2022	R 8 336.00	18.5%		R 8 336.00
Mar 2023	R 8 370.00	0%	R -442.74	R 7 927.26
May 2023	R 8 030.00	18%		R 8 030.00
Jul 2023				
Sep 2023				

Sunflower Seeds Future		
	MTM	Vols
Jul 2022	R 10 284.00	24.5%
Sep 2022	R 10 431.00	23.5%
Dec 2022	R 10 600.00	24%
Mar 2023	R 10 471.00	0%
May 2023	R 9 980.00	0%
Jul 2023		
Sep 2023		



The local Soya market traded lower yesterday. The Jul'22 Soya contract ended R32.00 down and Sep'22 Soya closed R22.00 lower. The parity move for the Jul'22 Soya contract for yesterday was R233.00 negative.

The local Suns market closed lower yesterday. The Jul'22 Suns contract closed R92.00 down and Sep'22 Suns closed R87.00 lower.



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