

**Economic Indicators**

	Quote at 12h00 previous day	Current quote	Change	% Change
Rand/Dollar	11.98	12.01	0.03	0.25
Euro/Dollar	1.2485	1.2458	-0.0027	-0.22
Gold	1345.41	1330.86	-14.55	-1.08
Platinum	1000.5	987.65	-12.85	-1.28
Brent Crude	69.8	67.85	-1.95	-2.79
JSE Top 40	52453	51908	-545.00	-1.04
Dow Jones Indus Avg	26186	25520	-666.00	-2.54

The changes in the table above is from previous Safex close (12h00)

- The rand is slightly weaker this morning and is quoted at R12.01/\$ with the stronger dollar putting some pressure on the rand. South African equities sold off on Friday with the weakness in global equities also putting some pressure on our market. The JSE Top40 ended 1.04% lower.
- In the US the dollar is slightly stronger on some safe haven buying with the dollar quoted at 1.2455 to the euro this morning. US equities sold off sharply on Friday with the Dow ending 2.54% lower in the daytime session and this morning the equity futures are also trading lower.
- Commodity prices are lower across the board with the stronger dollar weighing on commodity prices. Gold and platinum prices are 1.08% and 1.28% lower than the levels seen on Friday while crude oil prices are 2.79% lower than the levels seen at Safex close on Friday.

**US Dollar/South African Rand**

<sup>^</sup>USDZAR - U.S. Dollar/South African Rand - Daily Candlestick Chart



**Key data releases:**

- European Union Services PMI
- European Union investor confidence
- US Services PMI
- US ISM manufacturing index

## International Market

	Quote at 12h00 previous day	Current quote	Change	% Change
CME Mar maize	360.75	358.5	-2.25	-0.62
CME Jul maize	376.25	374.5	-1.75	-0.47
CME Mar wheat	448	440.75	-7.25	-1.62
KCBT Mar wheat	464.75	458.25	-6.50	-1.40
KCBT May wheat	479.25	473.25	-6.00	-1.25
Matif Mar wheat (Euro/ton)	156	157.25	1.25	0.80
CME Mar soybeans	977.75	973	-4.75	-0.49
Mar CME maize R/ton	1701	1695	-6.38	-0.37
Jul CME maize R/ton	1774	1771	-3.83	-0.22
Mar CME wheat R/ton	1972	1945	-27.06	-1.37
Mar KCBT wheat R/ton	2046	2022	-23.56	-1.15
May KCBT wheat R/ton	2110	2088	-21.19	-1.00
Mar CME soybeans R/ton	4304	4294	-10.18	-0.24

The changes in the table above is from Safex close (12h00)

## Corn

- CME maize prices posted some gains in the daytime session on Friday with the strong export demand for US maize providing some support. The weather conditions in Argentina also added some support. This morning the electronic maize prices are trading lower.
- In the US maize export market the USDA on Friday announced a sale of 195 000 tons of US maize that was sold to an unknown destination and another 170 000 tons of maize that was sold to Egypt.
- On Friday the private forecaster Informa Economics estimated the Argentine maize crop at 37 million tons which is 5 million tons lower than their previous estimate. The weather forecast expects some light relief in Argentina but well above normal temperatures is expected.

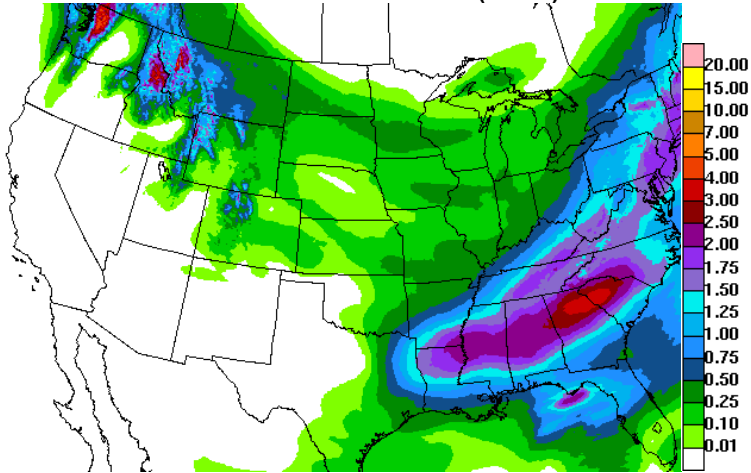
## Soybeans

- US soybean contracts came under some pressure in the daytime session on Friday with the improved weather outlook for Argentina and some technical selling weighing on the market. This morning the electronic prices are trading lower.
- In the US soybean export market the USDA announced a private export sale of 108 860 tons of US soybeans that was sold to Mexico.
- The private forecaster Informa Economics estimated the Argentine soybean crop at 51 million tons which is 3.5 million tons lower than their previous forecast. Some improved conditions are forecasted for later this week and the 2<sup>nd</sup> half of February.

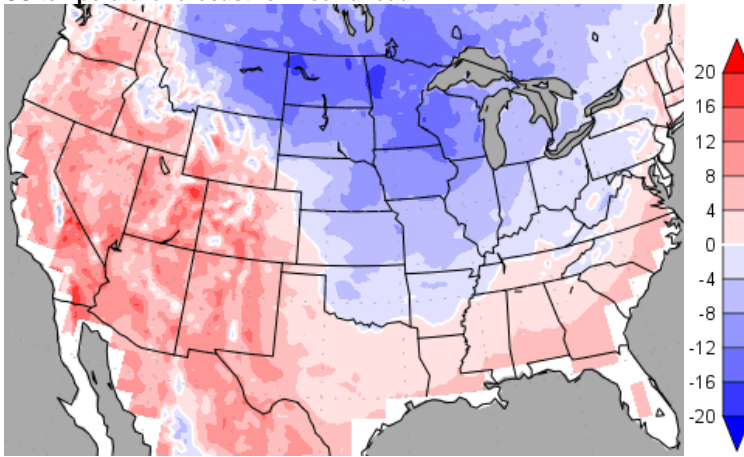
## Wheat

- US CME and KCBT wheat prices did come under some pressure in the session on Friday with some profit taking by market longs adding some pressure. The weather forecast expects some snowfall in the US winter wheat areas. This morning the electronic wheat prices are trading lower.
- In the world wheat export market Egypt in their tender decided to buy 180 000 tons of Russian wheat with no US wheat offered in the tender.
- The private forecaster Informa Economics estimated the Argentine wheat crop at 18.5 million tons which is 500 000 tons higher than their previous estimate.

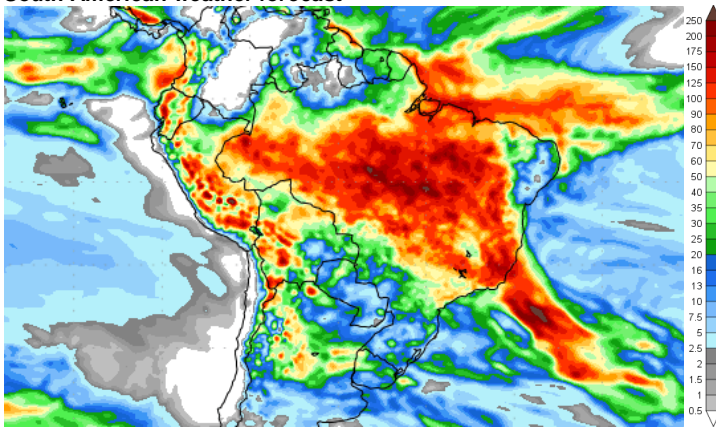
US cumulative rainfall forecast for week ahead (inches)



US temperature forecast for week ahead



South American weather forecast



Although everything has been done to ensure the accuracy of the report Unigrain (Pty) Ltd cannot be held responsible for any losses incurred as a result of the use of the information contained in the report

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## South African Market – 02 February 2018

White Maize				
	MTM	Change	High	Low
Mar-18	1820.00	9.00	1829.00	1798.00
May-18	1874.00	9.00	1881.00	1864.80
Jul-18	1923.00	10.00	1932.80	1897.00
Yellow Maize				
Mar-18	1913.00	10.00	1922.00	1890.00
May-18	1956.00	0.00	1965.00	1947.80
Jul-18	1988.00	12.00	1996.80	1967.00
Wheat				
Mar-18	3586.00	27.00	3600.00	3565.00
May-18	3662.00	34.00	3669.80	3630.00
Jul-18	3691.00	26.00	3689.00	3689.00
Sunflower				
Mar-18	4690.00	18.00	4705.00	4670.00
May-18	4700.00	10.00	4725.00	4670.00
Soybeans				
Mar-18	4411.00	-1.00	4430.00	4401.00
May-18	4491.00	-2.00	4510.00	4468.00
CME Corn				
Mar-18	1707.00	16.00	1708.20	1698.00
Jul-18	1813.00	16.00	1820.00	1800.00

### Maize

South African maize prices opened the day lower with the recent weakness seen in our market adding some pressure. March white maize opened the day at R1905 and traded to a low of R1897 (new contract low) before some short covering was seen. The market managed to gain back all of the early weakness that was seen and turned higher late in the session with the weaker rand also adding some support. March white maize traded to an intraday high of R1932 and the market ended the day slightly off the session highs.

This morning the US maize prices are slightly lower than the levels seen at Safex close on Friday which despite the weaker rand is still pointing to slightly lower parity prices this morning. We did see some rainfall the past weekend and some more showers are possible in the 2<sup>nd</sup> half of this week which could limit some of the buying interest in our market.

### Wheat

South African wheat contracts opened the day higher with some more buying/short covering that was seen after the opening with the weaker rand also adding some support in the session on Friday. March wheat contracts opened the day at R3568 and traded to a low of R3565 before some buying was seen. March wheat contracts traded to an intraday high of R3600 and the market ended the day off the session highs. On the technical chart there could be some divergence between the RSI and prices which could result in some more short covering.

This morning the US CME and KCBT wheat prices are lower than the levels seen at Safex close on Friday but the rand is slightly weaker. We did see some buying interest in our market on Friday which together with the weaker rand could provide some support to local prices.

### Oilseeds

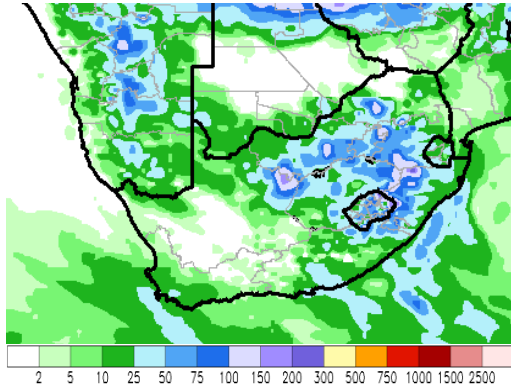
South African soybean contracts opened the day mostly flat with the market trading on both sides of the opening levels after the opening. March soybean contracts opened the day at R4420 and came under some more pressure after that with the market trading to a low of R4401 but the failure to break below the low seen in the previous sessions resulted in some short covering and prices ended the day off the session lows and around the opening levels.

South African sunflower seed contracts opened the day flat with some buying/short covering that was seen after the opening. March sunflower seed contracts opened the day at R4670 which was also the intraday low of the session with the market gaining back some ground after that. The market traded to an intraday high of R4705 and the market ended the day off the session highs. The market is caught between the averages with the 40-day as support seen at R4652 and the 100-day as resistance seen at R4739.

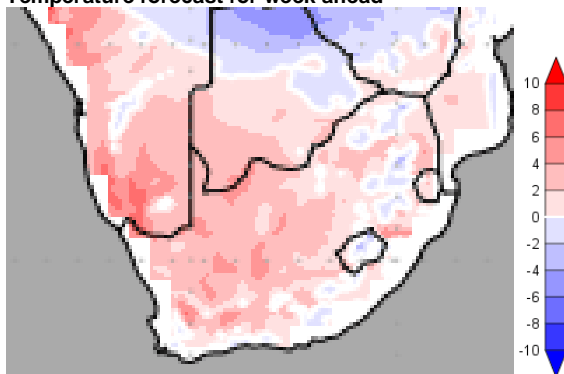
This morning the US soybean contracts are well below the levels seen at Safex close on Friday which despite the weaker rand is still pointing to lower parity prices which could put some pressure on local sunflower seed and soybean contracts.

### **Weather conditions**

**Rainfall forecast for week ahead**



**Temperature forecast for week ahead**



### **Technical Graphs**

- Safex March WM prices
- CME March corn prices



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