

Economic Indicators

	Quote at 12h00 previous day	Current quote	Change	% Change
Rand/Dollar	12.01	12.14	0.13	1.08
Euro/Dollar	1.2460	1.2352	-0.0108	-0.87
Gold	1335.05	1342.94	7.89	0.59
Platinum	992.8	991.9	-0.90	-0.09
Brent Crude	68.13	66.87	-1.26	-1.85
JSE Top 40	51908	50496	-1412.00	-2.72
Dow Jones Indus Avg	25520	24345	-1175.00	-4.60

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

- The rand is under pressure and is trading around R12.14/\$ this morning with the stronger dollar weighing on the rand. South African equities sold off with the JSE Top40 ending 2.72% lower in the session yesterday as global equities sold off sharply.
- In the US the dollar posted gains on some safe haven buying that was seen and US equities sold off sharply with the Dow ending 4.6% lower in its biggest selloff in more than 6-years. This morning the Dow futures are under some more pressure as the global equity selloff continues.
- Commodity prices are mixed with gold prices posting some gains and is 0.59% higher than the levels seen at Safex close yesterday mainly due to some safe haven buying. Platinum and crude oil prices are 0.09% and 1.85% lower this morning with the stronger dollar adding some pressure.

US Dollar/South African Rand



Key data releases:

- Weekly South African grain trade data
- South African business confidence index
- US trade balance

International Market

	Quote at 12h00 previous day	Current quote	Change	% Change
CME Mar maize	358.75	357.75	-1.00	-0.28
CME Jul maize	374.5	373.25	-1.25	-0.33
CME Mar wheat	441.5	440.25	-1.25	-0.28
KCBT Mar wheat	458	461.75	3.75	0.82
KCBT May wheat	473	476.75	3.75	0.79
Matif Mar wheat (Euro/ton)	156	156.75	0.75	0.48
CME Mar soybeans	972.75	968.75	-4.00	-0.41
Mar CME maize R/ton	1696	1710	13.58	0.80
Jul CME maize R/ton	1771	1784	13.19	0.75
Mar CME wheat R/ton	1948	1964	15.51	0.80
Mar KCBT wheat R/ton	2021	2060	38.60	1.91
May KCBT wheat R/ton	2087	2127	39.32	1.88
Mar CME soybeans R/ton	4293	4321	28.62	0.67

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

Corn

- CME maize prices traded lower in the daytime session yesterday with some technical selling that was seen as well as profit taking by market longs. The selloff in outside markets and the stronger dollar also added some pressure. This morning the electronic prices are lower.
- In the US export market the USDA announced a sale of 130 000 tons of US maize that was sold to South Korea. The weekly US export inspections of maize was reported at 1.07 million tons which was at the higher end of the market expectations.
- On the technical chart for March CME maize we see that the market is under some pressure with prices finding some support at the 100-day average seen around \$3.57/bushel. Resistance is seen at \$3.62.

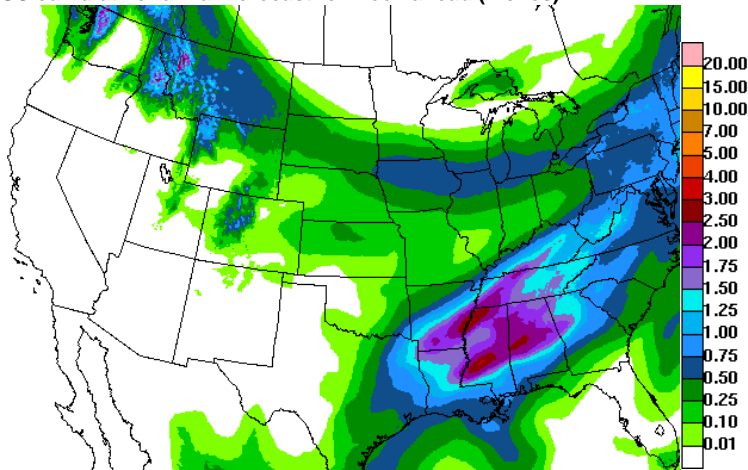
Soybeans

- US soybean contracts ended lower in the daytime session with the lower outside markets and some fund selling weighing on the market. The forecast for some rainfall in Argentina also added some pressure. This morning the electronic prices are also lower.
- The weekly US export inspections of soybeans released yesterday was reported at 1.304 million tons which was higher than the market expectation seen ranging between 700 000 and 1 million tons.
- On the technical chart for March CME soybeans we see that the market sold off breaking below the key averages including the 200-day and 40-day and prices are currently finding some support around \$9.70/bushel.

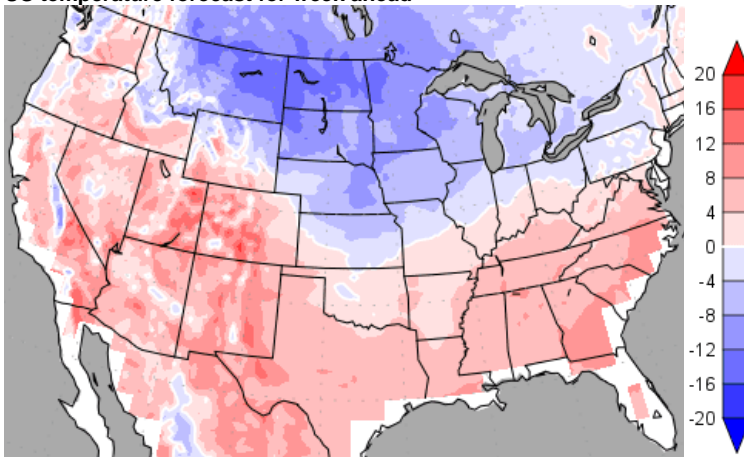
Wheat

- US CME and KCBT wheat prices traded lower in the daytime session yesterday on some technical selling while the stronger dollar also added some pressure. This morning the electronic wheat prices are also slightly lower.
- The weekly US export inspections of wheat released yesterday was reported at 428 557 tons which was in line with the market expectation seen ranging between 325 000 and 625 000 tons.
- Statistics Canada estimated their Dec 31st all wheat stocks at 23.6 million tons which is 2.2% lower year/year and slightly lower than the market expectation.
- On the technical chart for March KCBT wheat we see that the market traded both sides of unchanged before trading lower. The market did get some support at the 9-day average and prices ended the day off the session lows. The market also managed to close to gap left open late in January.

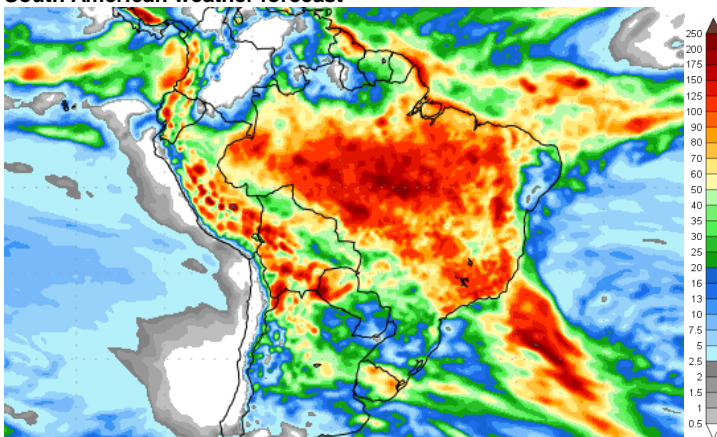
US cumulative rainfall forecast for week ahead (inches)



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 – 05 February 2018

White Maize				
	MTM	Change	High	Low
Mar-18	1801.00	-19.00	1832.00	1793.00
May-18	1858.00	-16.00	1878.00	1850.00
Jul-18	1902.00	-21.00	1939.00	1895.20
Yellow Maize				
Mar-18	1902.00	-11.00	1920.00	1899.00
May-18	1951.00	-5.00	1963.00	1947.00
Jul-18	1977.00	-11.00	2000.00	1972.00
Wheat				
Mar-18	3629.00	43.00	3632.00	3600.00
May-18	3695.00	33.00	3695.00	3672.00
Jul-18	3731.00	40.00	3732.60	3715.00
Sunflower				
Mar-18	4660.00	-30.00	4696.00	4660.00
May-18	4690.00	-10.00	4716.00	4667.00
Soybeans				
Mar-18	4420.00	9.00	4425.00	4407.00
May-18	4490.00	-1.00	4499.80	4471.20
CME Corn				
Mar-18	1704.00	-3.00	1711.40	1701.00
Jul-18	1811.00	-2.00	1819.20	1807.20

Maize

South African maize prices started the day higher with some more buying interest that was seen after the opening with the weaker rand also providing some support. March white maize opened the day at R1925 and traded to an intraday high of R1939 before coming under some pressure late in the session. March white maize sold off into the close trading to an intraday low of R1895 (new contract low) and ending the day at the session low. The weak close that was seen yesterday could weigh on our market in the sessions ahead.

This morning the US maize prices are slightly lower than the levels seen yesterday but the weaker rand is supporting parity prices this morning. We did see some late selling yesterday which could limit some of the buying interest in the session today.

Wheat

South African wheat contracts opened the day higher with some more buying interest that was seen after the opening with some follow through strength and the weaker rand providing some support. March wheat contracts opened the day at R3600 which was also the intraday low of the session with our market gaining some more ground after that. The market traded to an intraday high of R3632 finding some resistance at the 9-day average and the market did pull off the highs into the close. On the technical chart there is 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 mixed (KCBT wheat slightly higher) but the weaker rand is supporting parity prices. The buying interest seen in our market yesterday and the weaker rand this morning could be supportive for local wheat prices in the session today.

Oilseeds

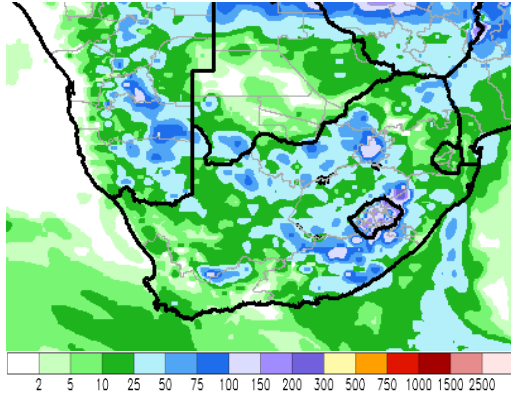
South African soybean contracts opened the day slightly higher with the market remaining in a narrow range after the opening. March soybean contracts opened the day at R4415 and traded to a low of R4407 with some buying interest that was seen after that. The market traded to an intraday high of R4425 and the market did pull off the highs into the close. On the technical chart key support is seen at R4400. Also keep in mind that the market is rather oversold and a divergence is also possible on soybeans.

South African sunflower seed contracts opened the day mostly flat with the market coming under some pressure after that. March sunflower seed contracts opened the day at R4690 and traded to an intraday high of R4696 before coming under some pressure after that. The market traded to an intraday low of R4660 with the market finding some support at the 40-day average and prices ended the day slightly off the session lows. The market is caught between the averages with the 40-day as support at R4656 and the 100-day as resistance at R4736.

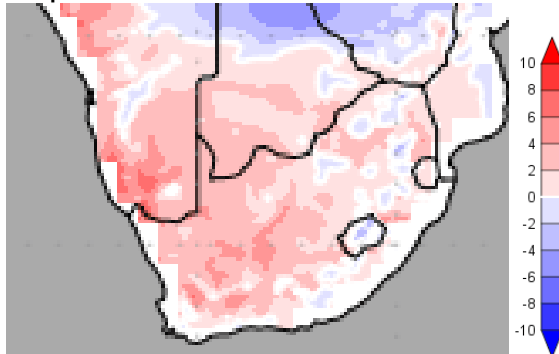
This morning the US CME soybean contracts are slightly lower than the levels seen yesterday but the weaker rand is supporting parity prices. The weaker rand could be supportive for local sunflower seed and soybean contracts in the session today.

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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