

Economic Indicators

	Quote at 12h00 previous day	Current quote	Change	% Change
Rand/Dollar	12.06	11.95	-0.11	-0.91
Euro/Dollar	1.2400	1.2390	-0.0010	-0.08
Gold	1342.71	1328.9	-13.81	-1.03
Platinum	995.7	990.3	-5.40	-0.54
Brent Crude	67.08	67.36	0.28	0.42
JSE Top 40	50496	49855	-641.00	-1.27
Dow Jones Indus Avg	24345	24912	567.00	2.33

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

- The rand posted some gains breaking below R12.00/\$ and is currently trading at R11.95/\$ with the rand gaining some ground while the dollar is also stronger against the euro. The rand posted some gains on optimism that Zuma will step down as president. South African equities did come under some pressure with the JSE Top40 ending 1.27% lower.
- In the US the dollar is slightly stronger with the dollar breaking below 1.2400 to the euro and US equities posted some solid gains with the Dow ending 2.33% higher in the daytime session yesterday. This morning the Dow futures are 0.50% lower.
- Commodity prices mixed this morning with gold and platinum 1.03% and 0.54% lower than the levels seen yesterday while crude oil prices are 0.42% higher this morning. The panic selling in equities slowed which limited some of the safe haven demand in gold.

US Dollar/South African Rand



Key data releases:

- Weekly South African producer deliveries
- South African net reserves
- US consumer credit data

International Market

	Quote at 12h00 previous day	Current quote	Change	% Change
CME Mar maize	358.5	364.5	6.00	1.67
CME Jul maize	374.25	379	4.75	1.27
CME Mar wheat	442.5	449.25	6.75	1.53
KCBT Mar wheat	463.5	472.25	8.75	1.89
KCBT May wheat	478.25	487.5	9.25	1.93
Matif Mar wheat (Euro/ton)	157.25	158.5	1.25	0.79
CME Mar soybeans	976	993	17.00	1.74
Mar CME maize R/ton	1702	1715	12.70	0.75
Jul CME maize R/ton	1777	1783	6.14	0.35
Mar CME wheat R/ton	1961	1973	11.75	0.60
Mar KCBT wheat R/ton	2054	2074	19.69	0.96
May KCBT wheat R/ton	2119	2141	21.29	1.00
Mar CME soybeans R/ton	4325	4360	35.20	0.81

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

Corn

- CME maize prices posted some gains in the daytime session with the Argentine weather conditions and export demand for US maize driving the market higher. The spillover gains from the higher US soybeans also added support. This morning the electronic maize prices are also slightly higher.
- In the US maize export market the USDA announced private sales of 225 000 tons of US maize that was sold to Japan and an unknown destination.
- In Argentina some of the weather models expect the warmer and drier conditions to return in the 2nd week of the forecast. In Argentina truck owners are also protesting for higher freight rates which are slowing the movement of grains.
- On the technical chart for March CME maize we see that the market posted some strong gains breaking above the \$3.62 resistance and ending the day at the session high. This morning the electronic prices are also higher.

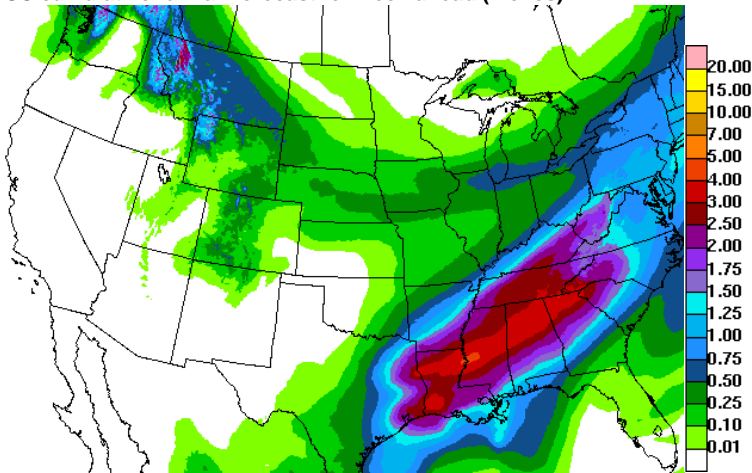
Soybeans

- US soybean contracts posted some strong gains in the daytime session yesterday with concerns that the warmer and drier weather in Argentina might return adding some support. This morning the electronic soybean prices are also trading higher.
- US soybean and soybean products also got some support on expectations that US lawmakers may renew the \$1/gallon biodiesel tax credit which could boost the production and usage of biodiesel.
- On the technical chart for March CME soybeans we see that the market posted some strong gains in the session yesterday with the market breaking above the key averages and this morning the electronic prices are also higher. The break above the 100-day and 200-day averages could provide some support in the sessions ahead.

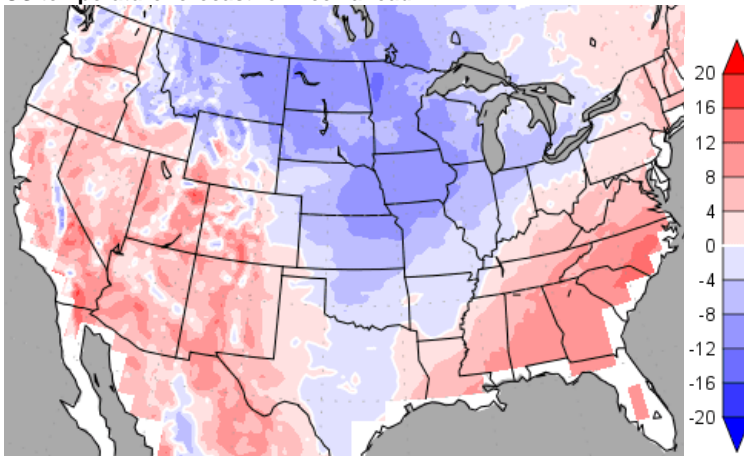
Wheat

- US CME and KCBT wheat prices posted some gains in the daytime session with the spillover gains from the higher US maize and soybeans prices and the dry weather conditions in the US plains adding some support. This morning the electronic wheat prices are higher.
- Very little moisture and snowfall is forecasted for the key US winter wheat areas in the week ahead which could put some more pressure on US winter wheat crop conditions.
- On the technical chart for March KCBT wheat we see that the market did get some support at the 9-day average and prices posted some gains after that. This morning the electronic wheat prices are higher with the market at its highest level since end of September 2017.

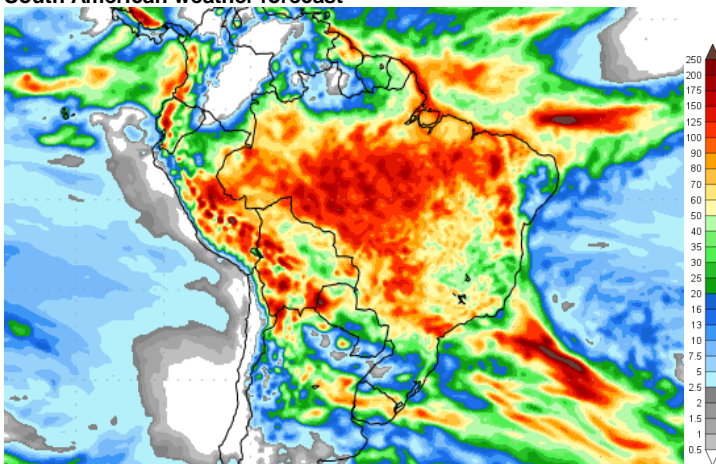
US cumulative rainfall forecast for week ahead (inches)



US temperature forecast for week ahead



South American weather forecast



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South African Market – 06 February 2018

White Maize				
	MTM	Change	High	Low
Mar-18	1799.00	-2.00	1805.00	1783.00
May-18	1850.00	-8.00	1860.00	1835.00
Jul-18	1901.00	-1.00	1908.00	1884.00
Yellow Maize				
Mar-18	1908.00	6.00	1909.80	1895.00
May-18	1950.00	-1.00	1951.00	1940.00
Jul-18	1981.00	4.00	1983.00	1964.00
Wheat				
Mar-18	3656.00	27.00	3670.00	3640.80
May-18	3730.00	35.00	3733.20	3720.00
Jul-18	3768.00	37.00	3784.80	3763.00
Sunflower				
Mar-18	4651.00	-9.00	4652.00	4630.00
May-18	4680.00	-10.00	4680.00	4661.00
Soybeans				
Mar-18	4443.00	23.00	4443.00	4400.00
May-18	4517.00	27.00	4520.00	4475.00
CME Corn				
Mar-18	1710.00	6.00	1711.00	1705.00
Jul-18	1816.00	5.00	1821.60	1808.20

Maize

South African maize prices started the day mostly flat with some selling interest that was seen after the opening with some follow through weakness that was seen. March white maize opened the day at R1801 and prices sold off after that trading to an intraday low of R1783 (new contract low) but the market managed to end the day well off the session lows with some short covering that was seen. The late buying that was seen could be supportive in the sessions ahead. The moving averages and indicators remain under pressure but the market is rather oversold.

The weekly South African maize exports was reported at 51 593 tons including 6 481 tons of white maize and 45 112 tons of yellow maize.

This morning the US maize prices are higher than the levels seen at Safex close yesterday but the stronger rand is limiting some of the gains in the parity prices this morning. The late buying seen in our market yesterday and the higher US maize prices could be supportive for our market in the session today.

Wheat

South African wheat contracts opened the day higher with some more follow through buying that was seen after the opening. March wheat contracts opened the day at R3640 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 R3670 and the market did end the day off the session highs. The market is being driven by fluctuations in the local currency.

The weekly South African wheat imports was reported at 58 598 tons which included wheat out Argentina (10 611 tons), Lithuania (38 778 tons) and the US (9 209 tons).

This morning, the US CME and KCBT wheat prices are well above the levels seen at Safex close yesterday which despite the stronger rand is pointing to higher parity prices this morning. Local wheat managed some good gains in the past few sessions but the stronger rand seen this morning could limit some of the buying interest in our market today.

Oilseeds

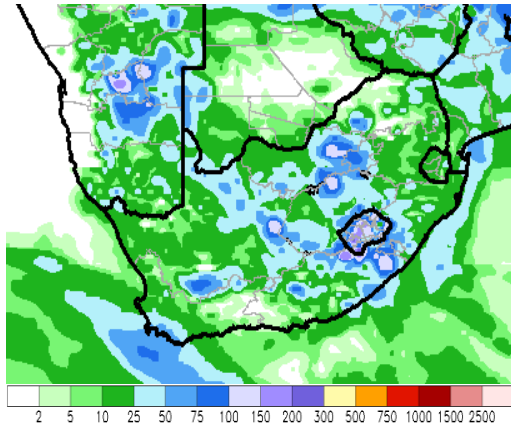
South African soybean contracts opened the day at R4400 with the market once again finding some support around that level and prices pushed higher for the remainder of the session. March soybean contracts opened the day at R4400 which was also the intraday low with some buying that was seen and the market managed to erase all of the early losses seen in the market trading to a high of R4443 and ended the day at the session high. The bullish engulfing candle seen yesterday could be supportive for our market in the sessions ahead.

South African sunflower seed contracts opened the day lower with the lower parity prices and sell off that was seen in the previous trading session adding some pressure. March sunflower seed contracts opened the day at R4640 and traded to a low of R4630 before some buying was seen. The market managed to gain back some more ground after that trading to a high of R4652 and ended the day at the session high.

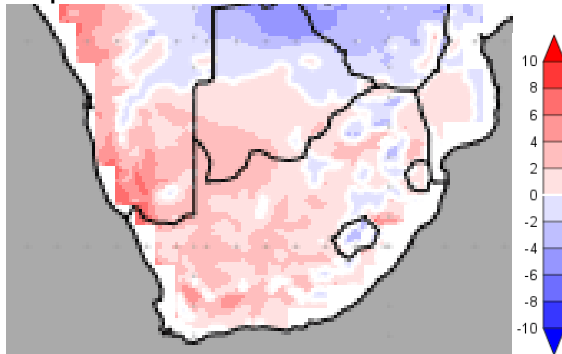
This morning the US soybean contracts are sharply higher than the levels seen at Safex close yesterday which despite the stronger rand is pointing to higher parity prices in the session today. The higher parity prices could be supportive for local sunflower seed and soybean contracts in the session today.

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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