

## Economic Indicators

	Quote at 12h00 previous day	Current quote	Change	% Change
Rand/Dollar	14.66	14.73	0.07	0.48
Euro/Dollar	1.1488	1.1562	0.0074	0.64
Gold	1186.41	1192.74	6.33	0.53
Platinum	817.99	814.7	-3.29	-0.40
Brent Crude	85.08	81.62	-3.46	-4.07
JSE Top 40	47970	46625	-1345.00	-2.80
Dow Jones Indus Avg	26430	25598	-832.00	-3.15

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

- The rand is under pressure this morning and is trading around R14.73/\$ despite the fact that the dollar is also under pressure. The widespread selling in global equities is weighing on markets. South African equities sold off with the JSE Top40 ending 2.80% lower in the session yesterday.
- In the US equities sold off sharply yesterday trading to a 3-month low led by technology shares while the rising interest rates in the US is resulting in a move of capital away from equities into bonds. The Dow lost 3.15% in the daytime session yesterday and this morning the Dow futures are also 0.93% lower. Asian shares are also sharply lower this morning.
- Commodity prices are mixed with gold prices slightly higher on some safe haven buying given the equity rout while platinum and crude oil prices are lower. Crude oil prices are 4.07% lower than the levels seen yesterday on some long liquidation given the recent rally and the selloff in markets globally.

## US Dollar/South African Rand



## Key data releases:

- USDA October supply and demand
- Weekly South African grain trade data
- South African gold and mining production
- South African manufacturing production
- US September CPI
- US initial jobless claims



## International Market

	Quote at 12h00 previous day	Current quote	Change	% Change
CME Dec maize	364.75	362	-2.75	-0.75
CME Mar maize	376.75	374	-2.75	-0.73
CME Dec wheat	515.25	509.75	-5.50	-1.07
KCBT Dec wheat	519.75	515.5	-4.25	-0.82
KCBT Mar wheat	543.5	538.5	-5.00	-0.92
Matif Dec wheat (Euro/ton)	203.5	202.75	-0.75	-0.37
CME Nov soybeans	861.25	849.25	-12.00	-1.39
Dec CME maize R/ton	2105	2099	-5.90	-0.28
Mar CME maize R/ton	2174	2169	-5.56	-0.26
Dec CME wheat R/ton	2775	2759	-16.52	-0.60
Dec KCBT wheat R/ton	2800	2790	-9.63	-0.34
Mar KCBT wheat R/ton	2928	2915	-13.08	-0.45
Nov CME soybeans R/ton	4639	4596	-42.80	-0.92

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

## Corn

- US maize prices traded lower in the daytime session with some position squaring ahead of the USDA report due later today with the market expecting a larger US maize production and yield estimate. This morning the electronic prices are also lower.
- In the USDA report today the average market expectation of the 2018 US maize crop is seen at 14.872 billion bushels which is based on a yield of 181.8 bushels/acre which is up from the September estimate seen at 14.827 billion bushels.
- The average market expectation of the US 2018/19 maize ending stocks is seen at 1.919 billion bushels which is up from the September estimate seen at 1.774 billion bushels.
- The wet weather in the US Midwest has resulting in some harvesting delays but the extended 6-10 day forecast expects cooler and drier conditions which should speed up harvesting once again.

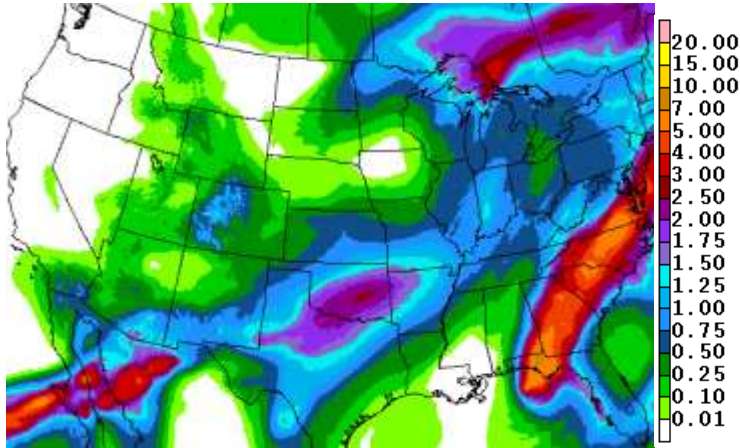
## Soybeans

- US soybean contracts traded lower in the daytime session yesterday with some positioning that was seen ahead of the USDA report due later today. This morning the electronic soybean prices are also slightly lower.
- In the USDA report due later today the average market expectation of the 2018 US soybean crop is seen at 4.733 billion bushels which is based on a yield estimate of 53.3 bushels/acre. This is up from the September estimate of 4.693 billion bushels.
- The average market expectation of the US 2018/19 soybean ending stocks is seen at 898 million bushels which is up from the September estimate seen at 845 million bushels.

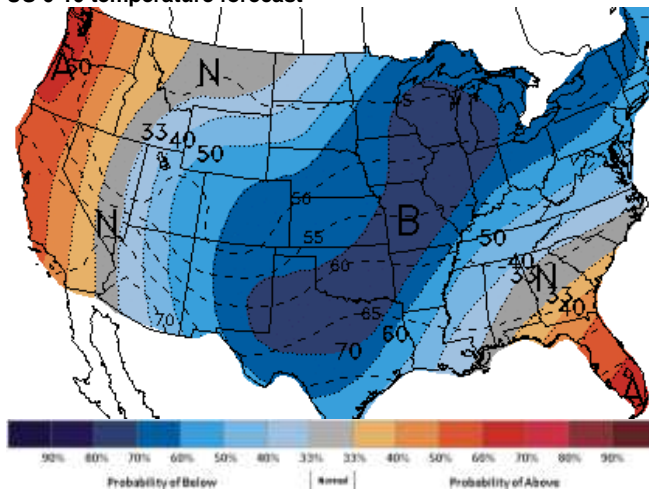
## Wheat

- US wheat prices traded lower in the daytime session yesterday with some selling that was seen ahead of the USDA supply and demand estimates due later today. This morning the electronic wheat prices are also slightly lower.
- In the USDA report due later today the average market expectation of the US 2018/19 wheat ending stocks is seen at 950 million bushels which is up from the September estimate seen at 935 million bushels.
- The weather forecast for the US in the week ahead expects some widespread heavy rainfall in the key winter wheat areas. The rainfall should boost soil moisture levels for the season ahead but replanting may be needed in some area.

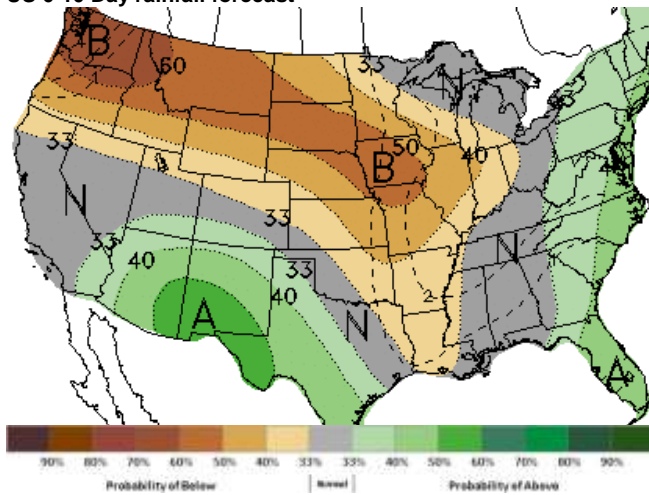
**US rainfall forecast for the week ahead**



**US 6-10 temperature forecast**



**US 6-10 Day rainfall 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 – 10 October 2018

White Maize				
	MTM	Change	High	Low
Dec-18	2434.00	-66.00	2455.00	2426.20
Mar-19	2493.00	-66.00	2505.00	2488.60
Jul-19	2569.00	-68.00	2581.00	2568.00
Yellow Maize				
Dec-18	2478.00	-55.00	2495.00	2466.00
Mar-19	2530.00	-56.00	2540.40	2525.00
Jul-19	2550.00	-45.00	2560.00	2538.00
Wheat				
Dec-18	4489.00	-64.00	4500.00	4476.00
Mar-19	4619.00	-68.00	4631.00	4610.00
Jul-19	4709.00	-28.00	0.00	0.00
Sunflower				
Dec-18	5193.00	-89.00	5210.00	5142.00
Mar-19	5186.00	-74.00	5190.00	5134.00
Soybeans				
Dec-18	4657.00	-68.00	4675.00	4600.00
Mar-19	4772.00	-61.00	4784.00	4712.00
CME Corn				
Dec-18	2118.00	-53.00	2122.00	2105.00
Mar-19	2210.00	-53.00	2211.00	2205.00

### Maize

South African maize prices gapped lower from the opening with the sharply lower parity prices weighing on our market from the opening. December white maize started the day at R2451 and traded to a high of R2455 with some more selling that was seen after that. December white maize traded to an intraday low of R2426 but the market did get some support around the 40-day average seen around R2430.

The weekly South African producer deliveries of maize for the week ending the 5<sup>th</sup> of October indicated that 31 986 tons of maize was delivered including 17 674 tons of white maize and 14 312 tons of yellow maize.

US maize prices are lower this morning but the weaker rand is limiting the losses in parity prices. Our maize market sold off yesterday but is getting some support around the 40-day average. Some rainfall possible in the eastern parts of the country this weekend.

### Wheat

South African wheat contracts opened the day lower with some more selling that was seen after the opening with the stronger rand adding pressure. December wheat contracts started the day at R4500 which was also the intraday high of the session with our market coming under some more pressure after that. The market broke below R4500 and the 9-day average and traded to a low of R4476 ending the day slightly off the session lows. Immediate support is seen at the 40-day average seen at R4470.

US wheat prices are lower this morning but the rand is weaker which is limiting some of the losses in the parity prices. Our wheat market sold off yesterday but the weaker rand seen this morning could provide some support to local wheat in the session today.

### Oilseeds

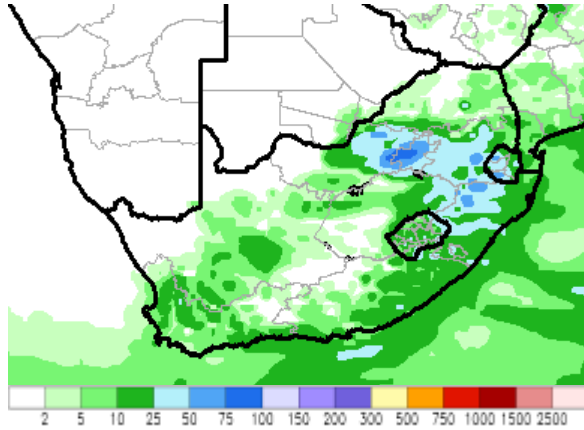
South African soybean contracts opened the day sharply lower but some buying interest was seen after the opening. December soybean contracts started the day at R4605 and traded to a low of R4600 with some buying that was seen after that. The market managed to break above the 100-day and 40-day averages and traded to an intraday high of R4675 with the market ending the day close to the session highs.

Sunflower seed contracts gapped lower from the opening with some more selling that was seen after the opening. December sunflower seed contracts started the day at R5210 and the market sold off more after that trading to a low of R5142 but some buying/short covering was seen after that and the market recovered some of the intraday losses ending the day around the opening levels.

US soybean contracts are lower this morning which despite the weaker rand is still pointing to lower parity prices which could limit some of the buying interest in our oilseed market in the session today.

### **Weather conditions**

Cumulative rainfall forecast for week ahead



### **Technical Graphs**

- Safex Dec maize prices
- CME Dec corn prices



Daily MAWZ8

2018/01/17 - 2018/10/24 (JHB)

CndI, MAWZ8, Trade Price  
2018/10/10, 2 451.00, 2 455.00, 2 426.20, 2 434.00, N/A, N/A  
SMA, MAWZ8, Trade Price(Last), 100  
2018/10/10, 2 304.08  
SMA, MAWZ8, Trade Price(Last), 40  
2018/10/10, 2 432.03  
SMA, MAWZ8, Trade Price(Last), 9  
2018/10/10, 2 421.11  
SMA, MAWZ8, Trade Price(Last), 200  
2018/10/10, 2 221.29

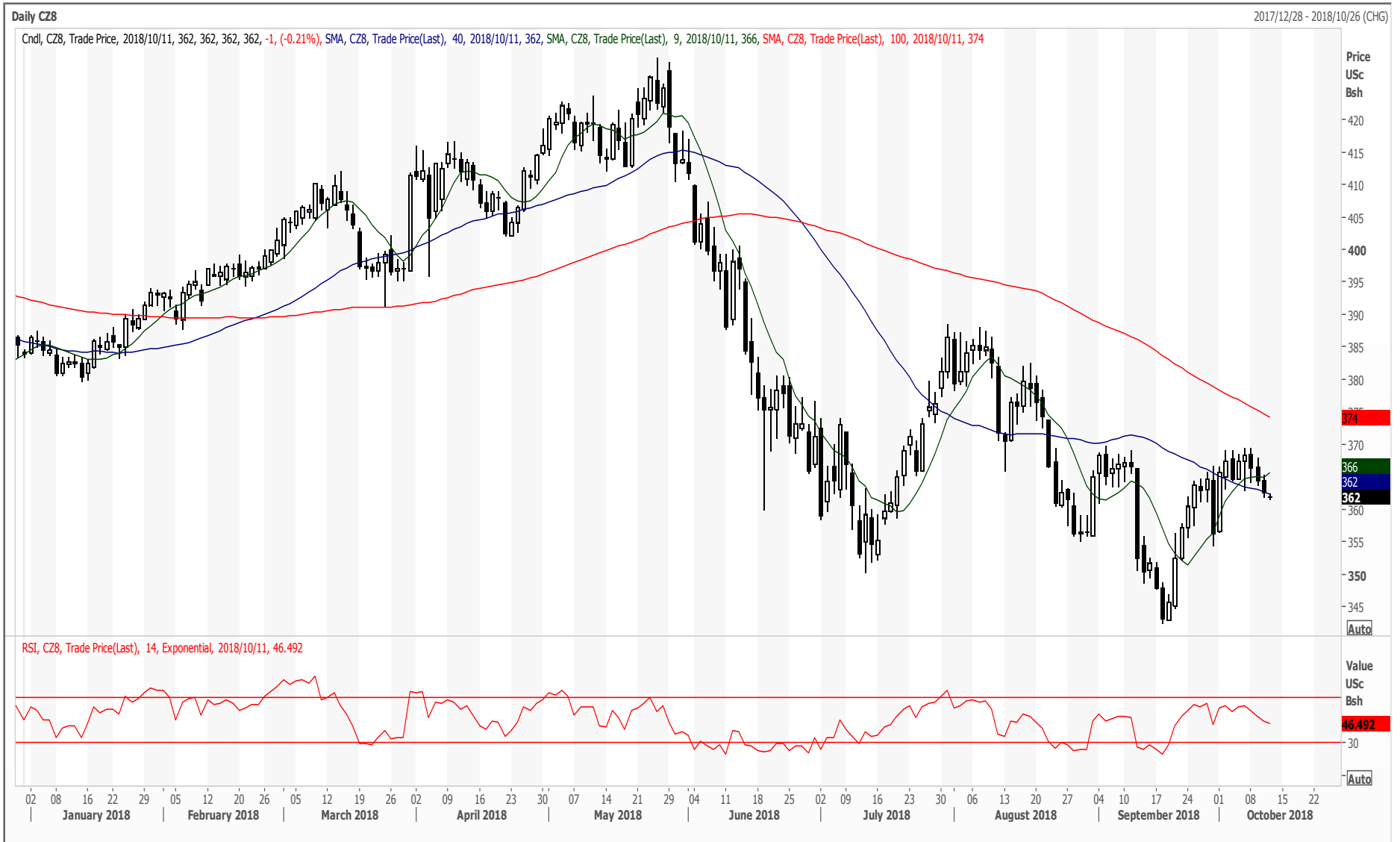
Price  
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2 490  
2 460  
2 430  
2 400  
2 370  
2 340  
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2 130  
2 100  
2 070  
2 040  
2 010  
1 980  
Auto

RSI, MAWZ8, Trade Price(Last), 14, Wilder Smoothing  
2018/10/10, 51.858

Value  
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22 29 05 12 19 26 03 09 16 23 30 07 14 21 28 04 11 18 25 02 09 16 23 30 06 13 20 27 03 10 17 25 01 08 15 22  
January 2018 | February 2018 | March 2018 | April 2018 | May 2018 | June 2018 | July 2018 | August 2018 | September 2018 | October 2018

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