



INTERNATIONAL MARKET

Table 1: CME Maize prices and weekly changes (cents/bushel)

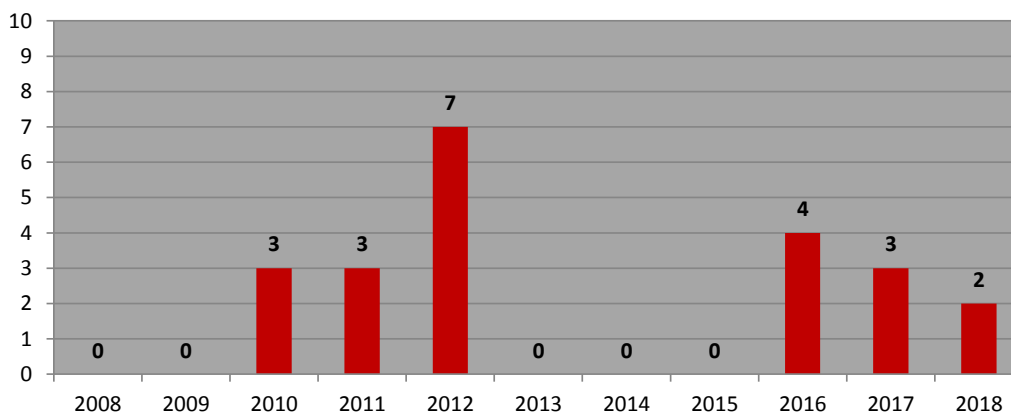
	Currently	04/04/2018	Weekly change (c/bu)	Monthly change (c/bu)
CME May-18	390	381	9	-3/4
CME Jul-18	398 ¾	389 ¾	9	1/4

- US maize prices posted some good gains in the past week with both CME May and July futures gaining some good ground. On a monthly basis CME maize prices are trading mostly flat.
- On the technical chart for July CME maize we see that maize prices posted some gains with the market finding some support around the 9-day average and prices managed some gains after that. July CME maize is once again testing the \$4.00/bushel resistance level which has been a tough area of resistance in the past month. The moving averages are still pulling higher which could be supportive for maize prices.
- US maize prices posted some gains in the past week with the spillover gains from the higher US soybean and wheat prices and the ongoing export demand for US maize also supporting the market.
- More recently the cool and wet conditions seen in the US Midwest has delayed some of the early fieldwork which also added some support. The weather in the US Midwest will become very important in the next few weeks.

US MARKET

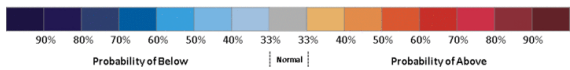
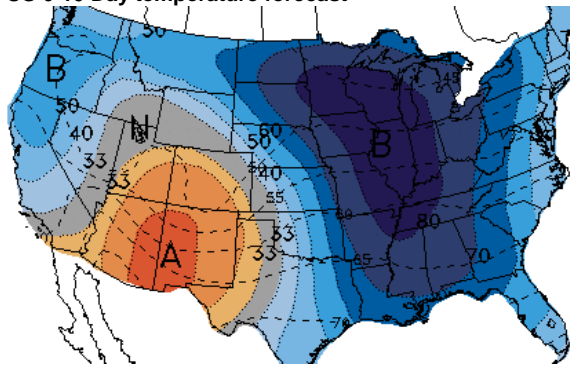
- US maize prices posted some gains in the past week with the spillover gains from the higher US soybean prices adding some support.
- The cooler and wetter conditions seen in the US Midwest could also result in some early maize planting delays which also added some support.
- The USDA in their weekly crop progress report indicated that 2% of the US maize crop has been planted which was in line with the market expectations.

Figure 1: US maize planting progress (% complete)

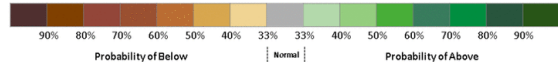
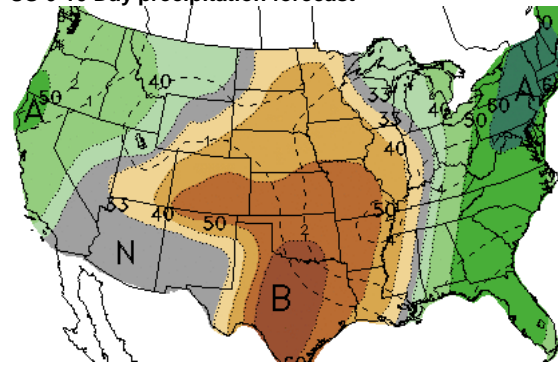


- The weather forecast for the US Midwest expects the cooler conditions to continue with the 6-10 day forecast expecting well below normal temperatures which could delay some of the early fieldwork. The 6-10 day rainfall forecasted expects normal/slightly below normal rainfall in the 6-10 day period.

US 6-10 Day temperature forecast



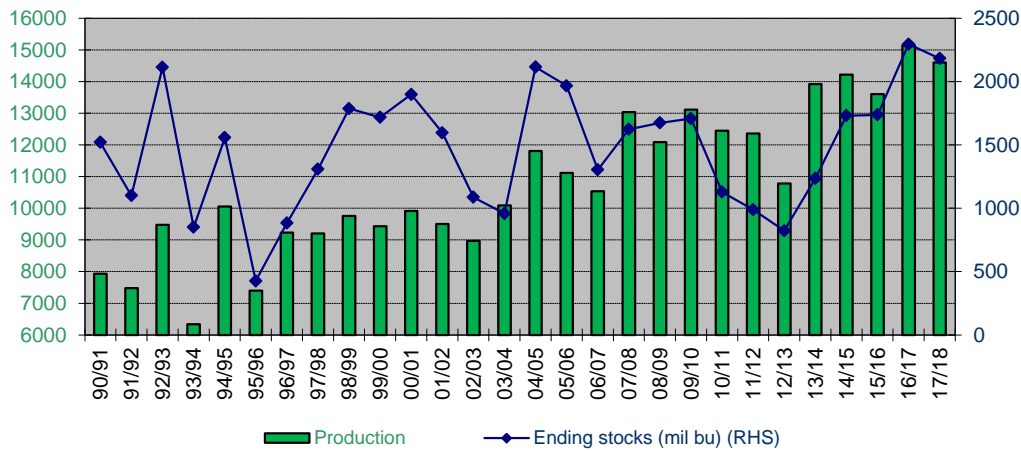
US 6-10 Day precipitation forecast



USDA supply and demand estimates

- The USDA in their report estimated the 2017/18 US maize ending stocks at 2.182 billion bushels which was slightly lower than the market expectation seen at 2.189 billion bushels but higher than the March USDA estimate seen at 2.127 billion bushels.
- Changes to the US maize balance sheet included a 50 million bushel reduction in the feed usage of maize and a 5 million bushel reduction in the food usage. The US maize exports and maize used for ethanol was left unchanged.

Figure 3: US maize production and ending stocks (mil bu)

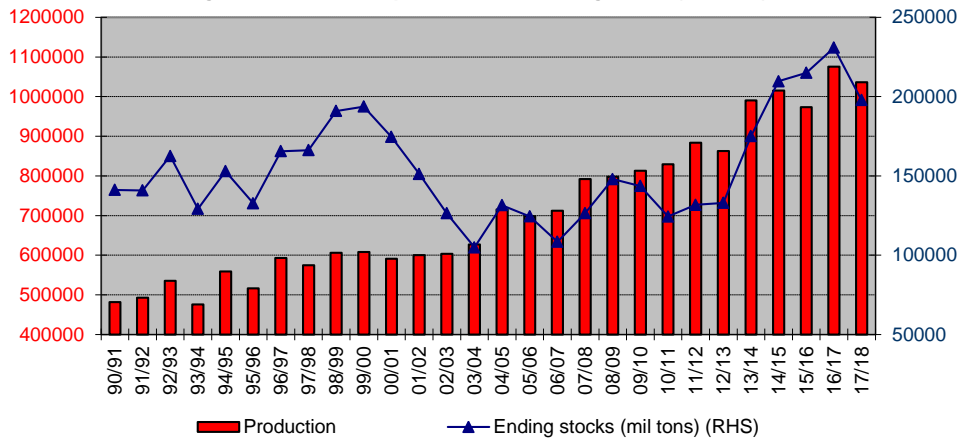


- In terms of the rest of the world the 2017/18 world maize crop was pegged at 1 036 million tons which is down from the 1 042 million tons estimated last month. Changes to the world maize production included smaller crop estimates for Argentina (-3 million tons) and Brazil (-2.5 million tons).
- The 2017/18 world maize ending stocks was estimated at 197.78 million tons which is down from the 199.17 million tons estimated last month. The world maize demand was also lowered slightly to 1 069 million tons.

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

"Together we make a difference"

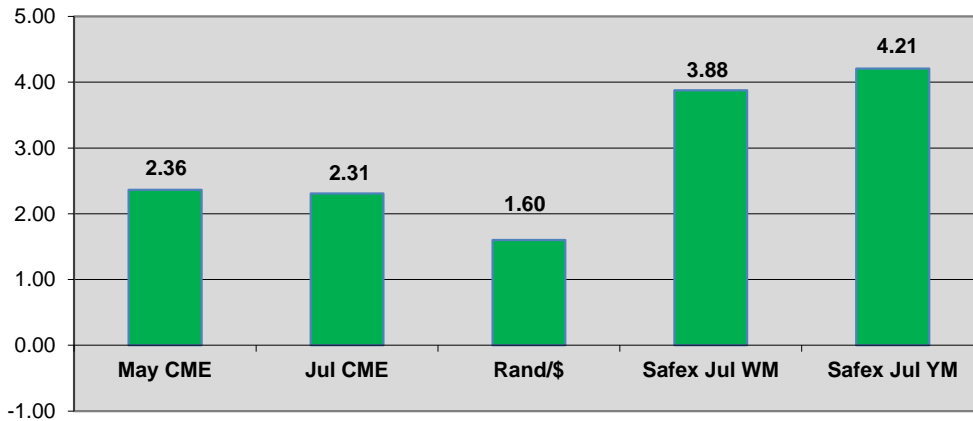
Figure 4: World maize production and ending stocks (000 tons)



LOCAL MAIZE MARKET

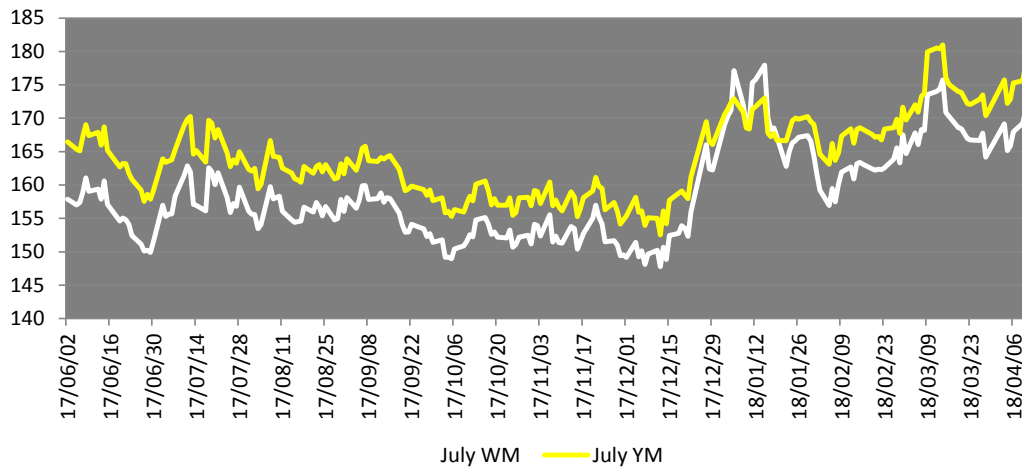
- South African maize prices ended higher in the past week with July white and yellow maize gaining 3.88% and 4.21% in the past week respectively. South African maize prices did get some support from the higher US maize prices with July CME ending 2.31% higher.
- The weaker rand also supported our market with the rand trading around R12.05/\$ which is 1.60% weaker week/week. The rand has been in a R11.50-R12.00/\$ for almost 2-months and broke on the higher end of the range in the past week. The rand traded as high as R12.15/\$ earlier this week and is at R12.05/\$ currently.
- The weather/growing conditions have been mostly favorable in the past week with some more rainfall seen in the central and western parts. The forecast expects some more rainfall and general idea is that the South African maize crop could be larger than the current estimate.

Figure 5: Safex WM and YM CME and rand/\$ (% change)



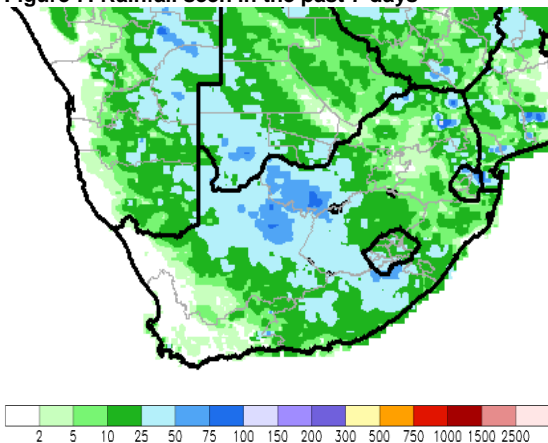
- In dollar terms we see that the market posted some gains in the past week with July yellow maize trading around \$177/tons which is just short of the \$180/\$181 highs seen in mid-March. July white maize is currently trading around \$171/ton.

Figure 6: Safex July white and yellow maize prices (\$/ton)



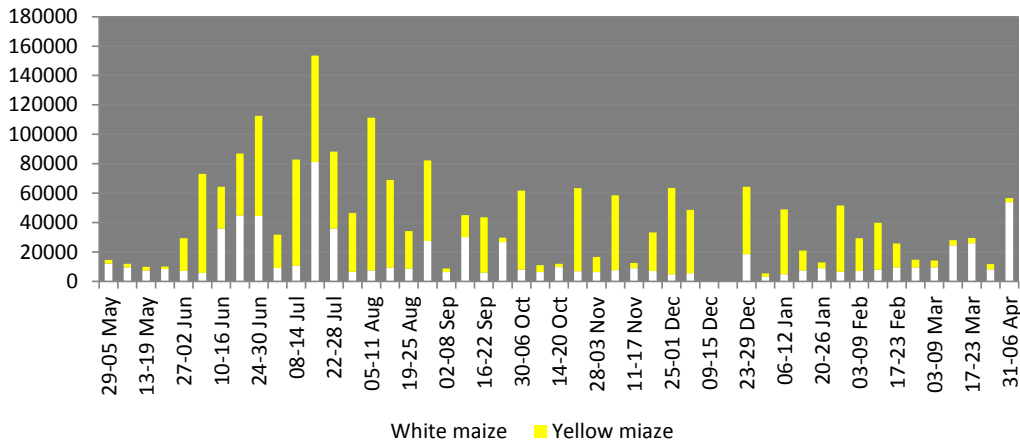
- The rainfall map below presents the cumulative rainfall for the past week ending the 9-th of April. From the weather map below we see that some widespread showers was seen in large parts of the Northern Cape and southern Free State with significantly less rainfall seen in the eastern growing areas.

Figure 7: Rainfall seen in the past 7-days



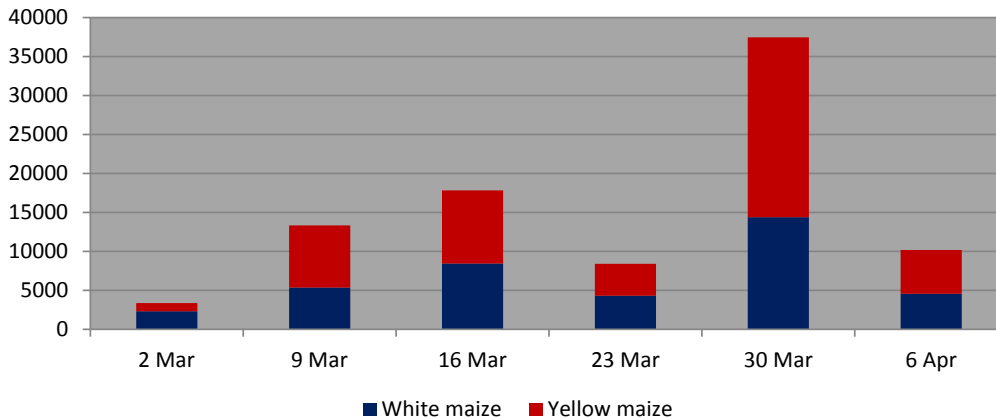
- The weekly South African maize exports for the past week was reported at 56 594 tons including 53 912 tons of white maize and 2 682 tons of yellow maize. The majority of the white maize was exported to Spain (44 789 tons).
- This brings the cumulative maize exports for the season to date at 2.145 million tons including 734 349 tons of white maize and 1.411 million tons of yellow maize.

Figure 8: Weekly South African white and yellow maize exports



- The weekly South African producer deliveries of maize for the week ending the 6th of March indicated that 10 161 tons of maize was delivered in the past week. The maize that was delivered included 4 556 tons of white maize and 5 605 tons of yellow maize.
- The graph below presents the weekly South African producer deliveries of white and yellow maize from the beginning of March. March and April deliveries are considered as early new crop deliveries.

Figure 9: Weekly South African producer deliveries of maize



FOCUS FOR THE WEEK

- US maize prices posted some gains in the past week with the strength in US soybeans and wheat providing some spill over support. Ideas of early maize planting delays also added some support.
- The weather forecast for the US Midwest expects some widespread showers in the central and eastern parts of the Midwest in the week ahead and below normal temperatures are expected in the next week to 10-days.
- On the technical chart for July CME maize we see that the market posted some good gains in the past week with the moving averages also pulling higher. July CME needs to break above \$4.00/bushel to gain some new momentum.
- South African white and yellow maize prices posted some gains in the past week with the higher US maize prices and the weaker rand supporting our market. The rand did break on the higher end of the recent R11.50-R12.00 trading range in the past week.

- On the technical chart for July white maize we see that the market posted some good gains in the past few sessions with the market finding some resistance around R2060-R2070 and prices pulled lower after that. The market has broken below the 200-day average and the next level of support is seen at R2012 (100-day) and R2000/ton.

Also see the technical graphs below

- Safex July-17 white maize prices
- CME July-17 corn prices



