



INTERNATIONAL MARKET

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

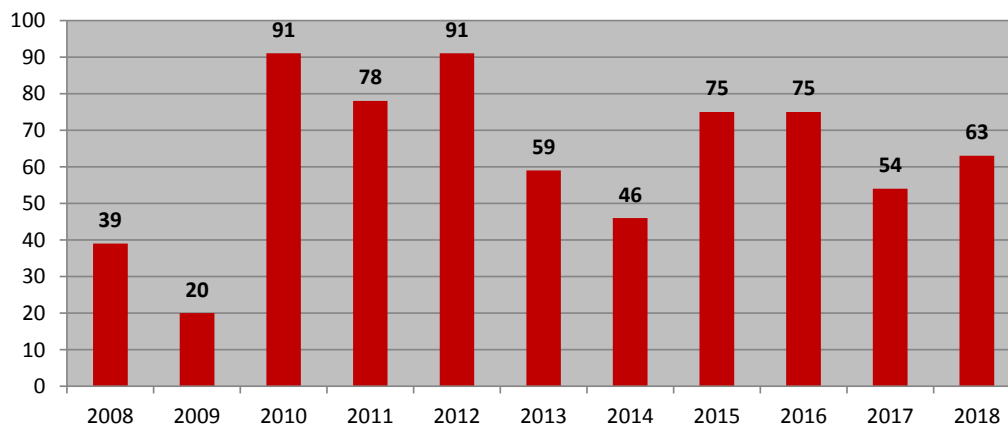
	Currently	23/10/2018	Weekly change (c/bu)	Monthly change (c/bu)
CME Dec-18	366 ¾	370 ¼	-3 ½	1
CME Mar-19	379 ¼	382 ½	-3 ¼	1 ½

- US maize prices traded lower in the past week with both December and March CME under some pressure. On a monthly basis US maize prices are slightly higher with December and March CME gaining 0.27% and 0.39% in the past month.
- On the technical chart for December CME maize we see that the market has been under some pressure with prices breaking below the 100-day and 40-day averages and the market did get some support around \$3.60 and prices pulled off the support after that. December CME maize is caught between the 40-day as support at \$3.63 and the 100-day as resistance at \$3.68/bushel.
- US maize prices traded slightly lower in the past week with the harvesting of maize in the US limiting some of the buying interest.

US Market

- The USDA in their weekly crop progress report indicated that 63% of the US maize crop has been harvested which is up from the 49% reported last week. The current US maize harvesting progress is in line with the 5-year average also seen at 63% harvested this time of the year.

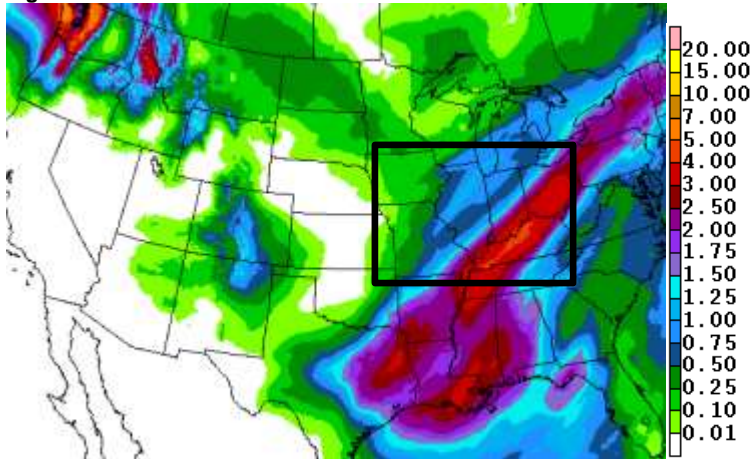
Figure 1: US maize harvesting progress (% complete)



US Weather

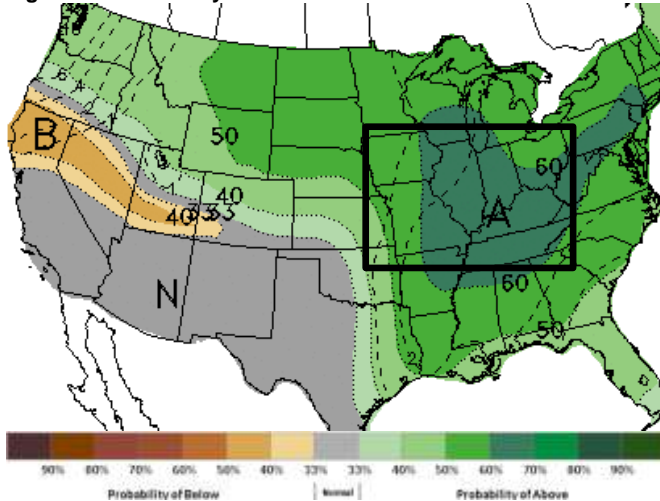
- The weather map below presents the cumulative rainfall forecast for the week ahead. From the weather map we see that some rainfall is forecasted for the central and eastern parts of the US Midwest in the week ahead. The heaviest rainfall totals are forecasted for the eastern parts and this could result in some harvesting delays.

Figure 2: Cumulative rainfall forecast week ahead



- The weather map below presents the extended 6-10 day rainfall forecast for the US. From the weather map below we see that above normal rainfall is forecasted for most of the US Midwest in the 2nd week of the forecast.

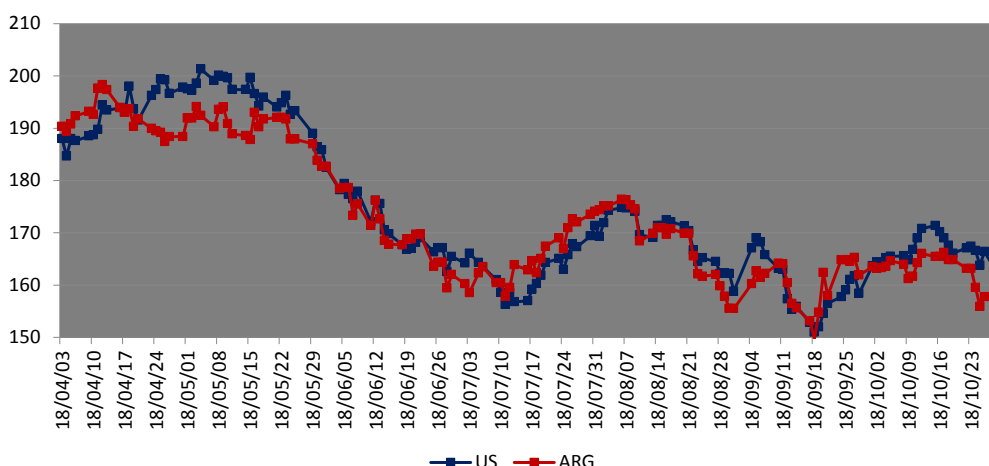
Figure 3: US 6-10 day rainfall forecast



US and Argentine prices

- The graph below presents the US and Argentine FOB maize prices in the past few months. From the data in the chart below we see that the US and Argentine FOB prices did come under some pressure in the past week with US maize trading around \$162 (-3% week/week) while Argentine maize prices are trading at \$157/ton (-3.5% week/week).

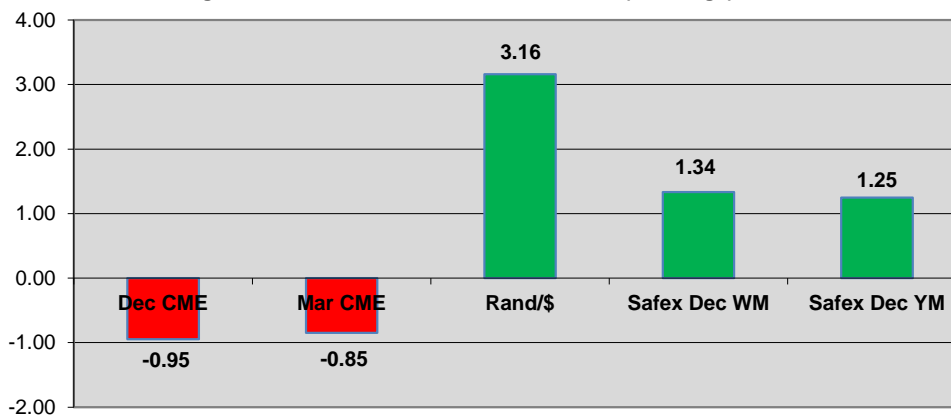
Figure 4: US and Argentine FOB maize prices



LOCAL MAIZE MARKET

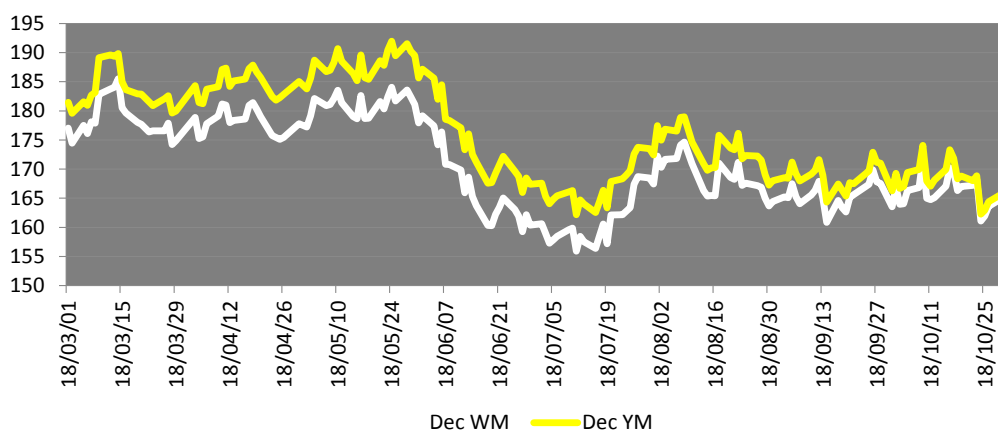
- South African maize prices posted some gains in the past week with our market once again outperforming the US markets. December white and yellow maize gained 1.34% and 1.25% in the past week.
- South African maize prices did get some support from the weaker rand that was seen with the rand trading at R14.69/\$ currently compared to the R14.24/\$ seen a week ago. The rand did break above the 40-day and 50-day averages. Keep an eye on a possible triangle formation of the rand.

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



- In dollar terms South African maize prices did come under some pressure in the past week with the slightly weaker rand weighing on prices in dollar terms. December white maize is seen around \$165/ton currently while yellow maize is trading at \$166/ton.
- It is interesting to see that December yellow maize traded as low as \$162/ton recently which was also an area of support for the market on several occasions in the past year.

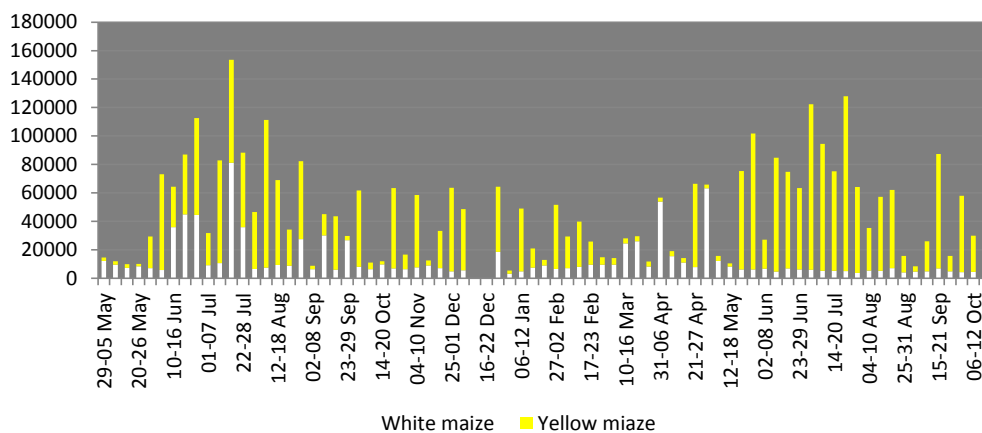
Figure 6: Safex December white and yellow maize (\$/ton)



South African maize exports

- The weekly South African maize exports for the week ending the 19th of October indicated that 64 009 tons of maize was exported in the past week. The maize that was exported included 5 601 tons of white maize and 58 408 tons of yellow maize. This brings the cumulative maize exports for the season to date at 1.500 million tons including 177 975 tons of white maize and 1.322 million tons of yellow maize.
- The maize intended for exports through to mid-December totals 182 062 tons including 106 580 tons of white maize and 75 482 tons of yellow maize.

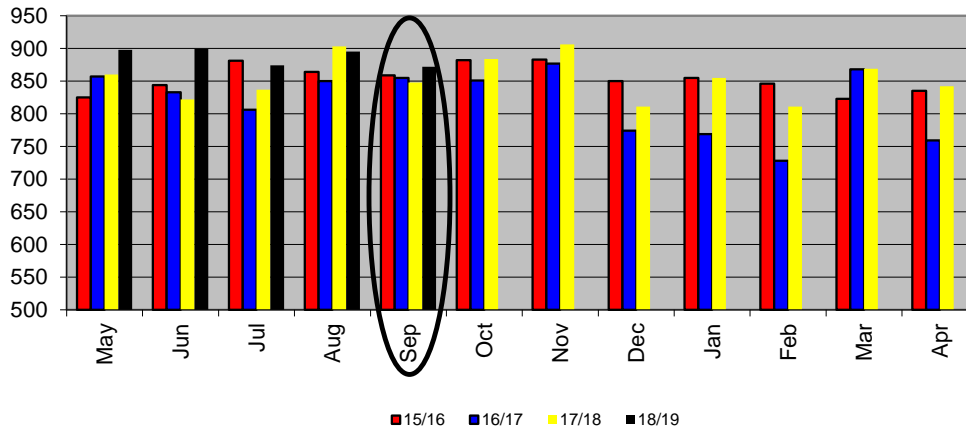
Figure 7: Weekly South African white and yellow maize exports



Sagis monthly data

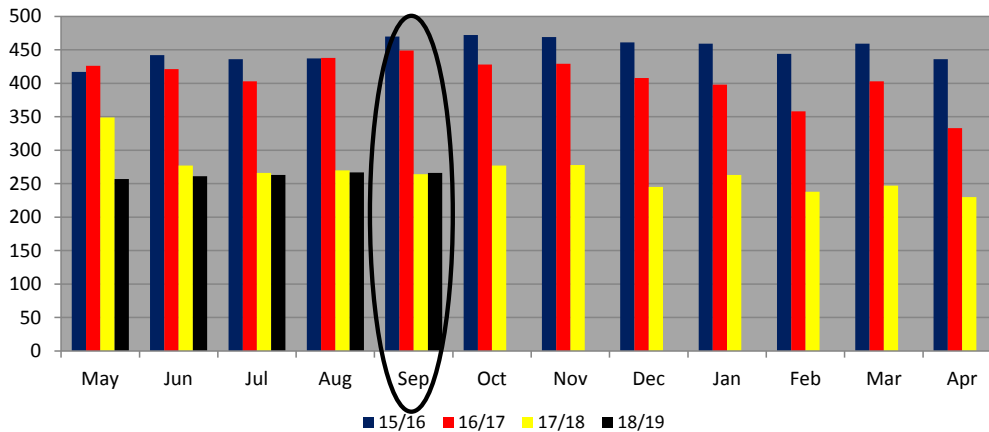
- The Sagis monthly data was released towards the end of last week. On the supply side of the South Africa maize market we see that 461 366 tons of maize was delivered including 275 634 tons of white maize and 185 732 tons of yellow maize.
- On the demand side of the South African maize market the total maize processed for the local market in September 2018 was reported at 872 020 tons which is down from the 895 125 tons seen in the previous month. The cumulative maize processed for the local market in the season to date is seen at 4.427 million tons which is still 2.7% higher year/year.
- Although we did see a month/month decline the total maize processed for the local market in September is still well above the quantity processed this time of the year in the past few seasons.

Figure 8: Total maize processed for local market (000 ton)



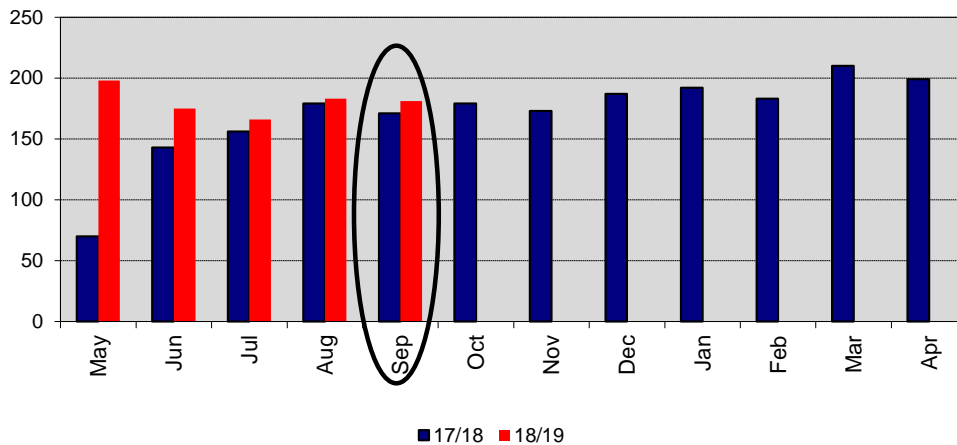
- The feed usage of yellow maize was reported at 265 624 tons which is slightly lower than the 266 703 tons seen in the previous month. The cumulative yellow maize used as animal feed in the season to date is seen at 1.316 million tons.

Figure 9: Monthly feed usage of yellow maize



- In the white maize market the human consumption of white maize in the month of September 2018 was reported at 375 338 tons which is down from the 396 842 tons seen in the previous month. The cumulative white maize human consumption for the season to date is seen at 1.955 million tons which is up from the 1.872 million tons seen in the previous season.
- The feed usage of white maize in September 2018 was reported at 181 176 tons compared to the 182 908 tons seen in the previous month. The cumulative white maize used as animal feed in the season to date is seen at 904 296 tons.

Figure 10: Monthly usage of WM in animal/industrial sector

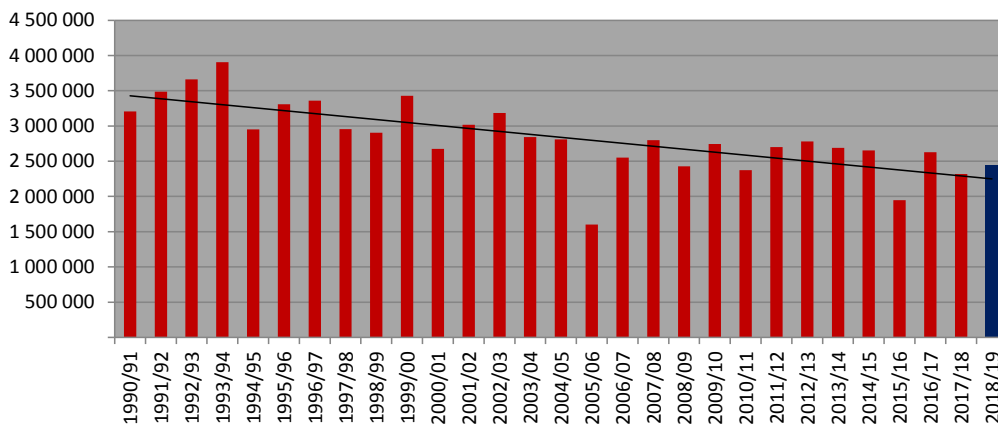


- The South African white maize stocks at the end of September were reported at 5.338 million tons compared to the 6.295 million tons seen the same time last year. The local consumption (excluding exports) seen in the season to date average around 580 000 tons/month. With this in mind the stocks at the end of September should be enough for 9.2 months of consumption. If we include exports of 40 000 tons demand is seen at 620 000 tons/month and the stocks at the end of September 2018 should be enough for 8.6 months of consumption.
- The yellow maize stocks at the end of September 2018 were reported at 3.586 million tons which is slightly lower than the 3.778 million tons seen the same time last year. The yellow maize consumption (excluding exports) average around 330 000 tons/month. The stocks at the end of September should be enough for 10.8 months of consumption. Exports averages 250 000 tons/month in the season to date but as mentioned before looking at the maize intended for exports the exports should slow significantly in the 2nd half of the marketing season.

CEC estimates

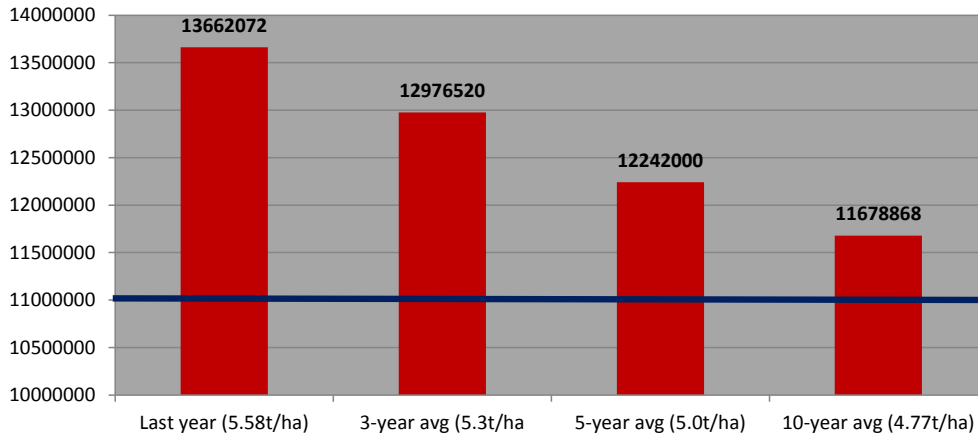
- The CEC in their report estimated the intentions to plant maize at 2.448 million hectares which is up from the 2.319 million hectares planted in the previous season. The white maize area was pegged at 1.373 million ha (+8.3% year/year) and the yellow maize area was estimated at 1.075 million ha (+2.3% year/year).

Figure 11: South African maize area planted (hectares)



- As a matter of interest we take a look at possible maize crop estimates based on several yield estimates and the CEC intentions to plant. Based on the yield seen in the previous season the maize crop could reach 13.66 million tons. A 3-year and 5-year average yield could result in a maize crop of 12.97 million and 12.42 million tons respectively. Keep in mind that local demand (excluding any exports) is seen in the region of 10.8 million tons.

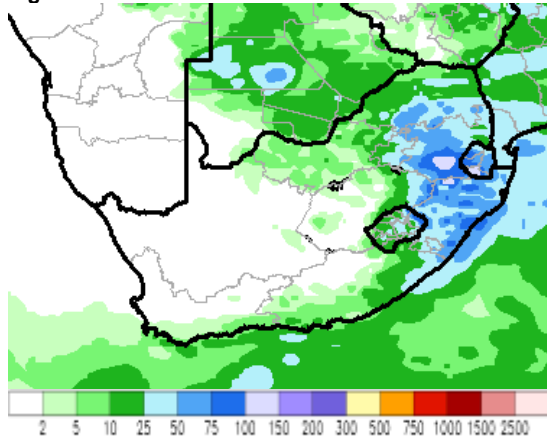
Figure 12: South African maize production estimates



Weather forecast

- The weather map below presents the cumulative rainfall forecast for the week ahead. The weather forecast expects some widespread rainfall in the eastern parts of the country with most of the rainfall forecasted from Wednesday through to Friday. Another round of showers is also possible early next week. Colder temperatures are forecasted for most of the country this coming weekend.

Figure 10: Cumulative rainfall forecast week ahead



FOCUS FOR THE WEEK

- US maize prices ended lower in the past week with the harvesting of maize in the US adding some pressure. The stronger dollar that was seen in the past few sessions also added some pressure.
- On the technical chart for December CME maize we see that the market is caught between the averages with the 40-day as support at \$3.63 and the 100-day as resistance at \$3.68/bushel.
- The weather forecast expects some rainfall especially in eastern parts of the US Midwest in the week ahead. The rainfall could result in some harvesting delays.



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- South African maize prices managed some gains in the past week with our market outperforming the US maize prices. The weaker rand also added some support. The rand is trading around R14.69/\$ currently.
 - The weather forecast expects some rainfall in the eastern growing areas of the country in the 2nd half of the week and once again early next week. Drier conditions are still forecasted for the central and western parts of the country.

Also see the technical graphs below

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



"Together we make a difference"



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