



Fundamental Report
12 December 2019

Financial Markets

Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	14.7805	14.6659	-0.1146	-0.78%
Euro/Rand	16.3833	16.3410	-0.0423	-0.26%
GBPound/Rand	19.4148	19.3826	-0.0322	-0.17%
AusDollar/Rand	10.0936	10.1004	0.0068	0.07%
Euro/USDollar	1.1083	1.1141	0.0058	0.52%
GBPound/USDollar	1.3138	1.3224	0.0086	0.65%
AusDollar/USDollar	0.6830	0.6887	0.0057	0.83%
JpyYen/USDollar	108.6900	108.5600	-0.1300	-0.12%

BDLive - The JSE ended in positive territory on Wednesday as global markets rose ahead of the outcome of the US Federal Reserve's policy meeting, with the Fed expected to keep interest rates unchanged at its last meeting for 2019.

The latest US economic data supports no change in interest rates, with analysts concurring. Inflation in the world's largest economy came in higher than expected in November, while employment figures released last week were better than expected.

The Fed is unlikely to cut interest rates again in the near term, following three cuts earlier this year.

Locally, the latest inflation and retail sales data were released earlier on Wednesday with the former coming in better than expected, while the latter disappointed.

Commodities

	Last	Value Change	% Change
Platinum	938.69	-0.19	-0.02%
Gold	1475.21	0.46	0.03%
Silver	16.90	0.04	0.26%
Copper	2.79	0.00	0.07%
Gasoil	0.00	0.00	
Brent Oil	63.95	0.23	0.36%

BDLive - Bengaluru — Gold edged up on Wednesday as investors sought safety from the threat of new US tariffs on Chinese goods coming into effect on December 15, while also awaiting policy decisions from major central banks.

Automotive catalyst metal palladium held just shy of a record high. Spot gold had gained 0.2% to \$1,467.31 an ounce by 10.48am GMT. US gold futures rose 0.3% to \$1,471.90. "The trade war continues to be a factor supporting gold, there's no easy solution to it and that uncertainty will keep gold prices up," said Commerzbank analyst Eugen Weinberg. US President Donald Trump has days to decide whether to impose tariffs on nearly \$160bn worth of Chinese goods, scheduled to take effect on Sunday.

The White House's top economic and trade advisers are expected to meet with Trump in the coming days to discuss the issue, one person briefed on the situation told Reuters. Washington is laying the groundwork for a delay in the latest tariffs, but a final decision has not been made, the person said.

Financials

	Current Bid	Value Change	% Change
JSE TOP 40	49537.29	0.00	0.00%
ALSI	49598.00	0.00	0.00%
S&P 500	3132.52	9.11	0.29%
FTSE	7213.76	2.49	0.03%
CAC	5860.88	0.00	0.00%
DAX	13070.72	76.02	0.58%
Hang Seng	26645.43	345.84	1.30%

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Corn / Maize Market

Chicago Board of Trade

Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
DEC 2019	362.00	357.75	-5.50	-4.25	358.25	0.50	-3.75
MAR 2020	376.00	371.25	-5.75	-4.75	371.50	0.25	-4.50
MAY 2020	382.00	378.00	-4.75	-4.00	378.25	0.25	-3.75
JUL 2020	387.00	383.75	-4.25	-3.25	384.25	0.50	-2.75
SEP 2020	386.00	384.75	-2.75	-1.25	385.25	0.50	-0.75

FarmFutures - Corn prices tilted around 1.5% lower Wednesday as export worries crept back to the forefront, triggering some technical selling that sent prices falling to the lowest levels since mid-September. Slumping soybean and winter wheat prices created additional headwinds. December futures fell 5.5 cents to \$3.5775, with March futures down 5.75 cents to \$3.7125.

Corn basis bids were mixed at Midwestern processors Wednesday but ticked 1 to 2 cents higher at two other central U.S. locations today. Farmer sales have remained relatively slow through much of the fall. Ahead of tomorrow morning's weekly export report from USDA, analysts expect the agency to show corn sales ranging between 15.7 million and 31.5 million bushels for the week ending December 5. Last week's tally landed near the middle of those estimates, with 21.5 million bushels.

Ethanol production continued to move higher for eleven straight weeks after reaching a daily average of 1.072 million barrels for the week ending December 6. February futures were down more than 1% this afternoon, to \$1.342.

Members of the National Corn Growers Association gathered in St. Louis this week held a news conference Dec. 11 to reflect on the happenings of 2019, focusing on trade and small refinery exemptions. Click here to learn more about the NCGA's biggest priorities heading into 2020.

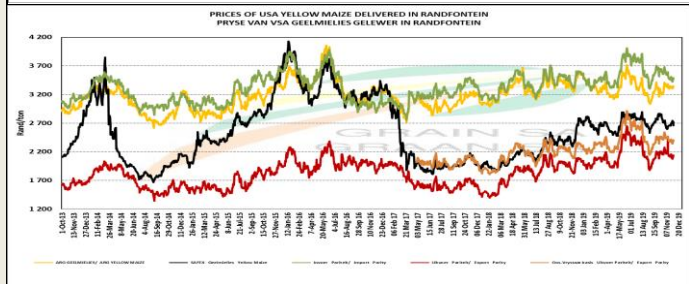
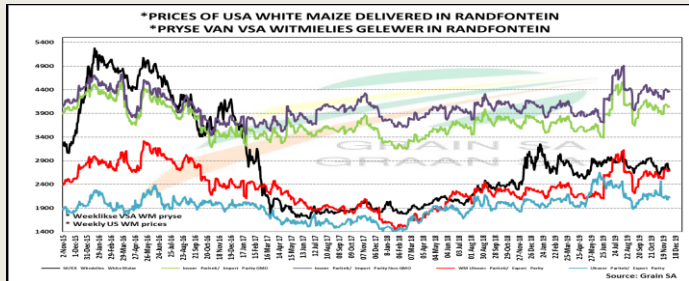
Grain traveling the nation's railways firmed 0.8% last week to reach 23,262 carloads. But as 2019 winds down, cumulative year-to-date totals are down 5.4% from a year ago, with just over 1.058 million carloads.

Preliminary volume estimates were for 198,764 contracts, moving 44% above Tuesday's final count of 137,649.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
White Maize Future				
Sep 2019				
Dec 2019	R 2 635.00	0%	R -37.98	R 2 597.02
Mar 2020	R 2 652.00	26.5%	R -42.95	R 2 609.05
May 2020	R 2 568.00	0%	R -38.89	R 2 529.11
Jul 2020	R 2 557.00	26%	R -33.34	R 2 523.66
Sep 2020	R 2 599.00	0%	R -21.74	R 2 577.26
Dec 2020	R 2 686.00	29%		R 2 686.00
Yellow Maize Future				
Sep 2019				
Dec 2019	R 2 600.00	0%	R -37.98	R 2 562.02
Mar 2020	R 2 608.00	24%	R -42.95	R 2 565.05
May 2020	R 2 565.00	0%	R -38.89	R 2 526.11
Jul 2020	R 2 517.00	19.5%	R -33.34	R 2 483.66
Sep 2020	R 2 552.00	0%	R -21.74	R 2 530.26
Dec 2020	R 2 637.00	0%		R 2 637.00

The local Maize market traded higher yesterday. The Dec'19 WMAZ contract ended R50.00 up and Dec'19 YMAZ closed R60.00 higher. The Mar'20 WMAZ closed higher by R46.00 and Mar'20 YMAZ ended R49.00 up. The parity move for the Dec'19 Maize contract for yesterday was R48.00 negative.



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Wheat Market

Chicago Board of Trade and Kansas Board of Trade

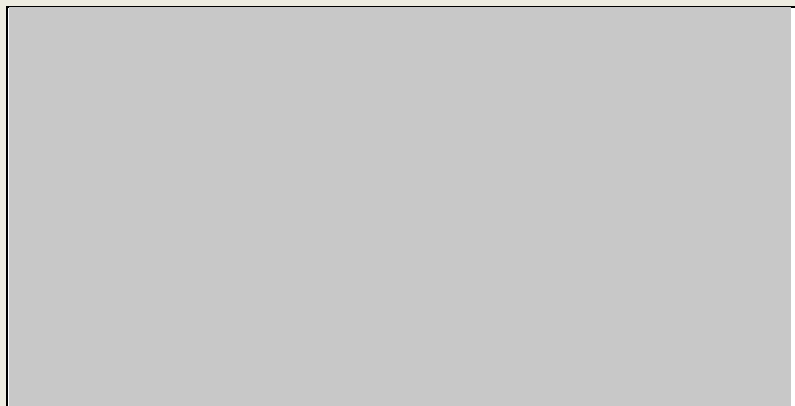
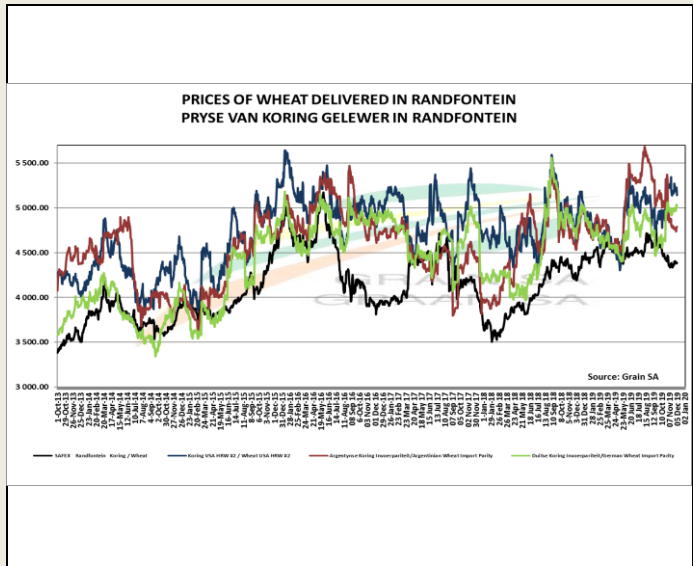
CBOT Wheat								KBOT Wheat							
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm	Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session	Overnight Change from 12pm
DEC 2019	534.00	530.75	-4.00	-3.25	529.00	-1.75	-5.00	DEC 2019	0.00	415.50	-0.50	415.50	0.00	-415.50	0.00
MAR 2020	521.00	519.25	-4.50	-1.75	518.00	-1.25	-3.00	MAR 2010	429.00	430.75	-0.50	1.75	430.00	-0.75	1.00
MAY 2020	524.00	522.75	-4.00	-1.25	521.00	-1.75	-3.00	MAY 2010	437.00	437.75	-1.25	0.75	436.75	-1.00	-0.25
JUL 2020	527.00	526.00	-3.75	-1.00	524.50	-1.50	-2.50	JUL 2010	445.00	445.50	-1.50	0.50	444.25	-1.25	-0.75
SEP 2020	534.00	532.75	-3.75	-1.25	529.00	-3.75	-5.00	SEP 2010	454.00	454.50	-1.50	0.50	0.00	-454.50	-454.00



FarmFutures - Wheat prices were mixed but mostly lower after demand worries amid stiff global competition spurred some technical selling. Chicago SRW contracts were hit the hardest, with March futures falling nearly 1% (4.5 cents) to \$5.1925. March Kansas City HRW futures were also in the red today, losing a penny to land at \$4.3025. MGEX spring wheat contracts bucked the trend, with March futures inching ahead 0.25 cents to \$5.1850. Ahead of Thursday morning's weekly export report from USDA, analysts expect the agency to show wheat sales ranging between 7.3 million and 16.5 million bushels for the week ending December 5. The prior week's tally was for a tepid 8.4 million bushels. In Europe, grain lobby Cocal increased its projections for EU soft wheat production by 1.2% from its September estimates to reach 5.328 billion bushels. That would mark a 14.3% improvement over last year's drought-stressed crops, if realized. Cocal also expects EU barley production to rise 10.9% year-over-year. USDA's forecasts for Russian wheat production in 2019/20 are also on the rise, improving 0.7% over its November estimates to reach 2.737 billion bushels. The agency's estimates for Russian wheat exports this marketing year are now at 1.286 billion bushels. Preliminary volume estimates were for 70,213 CBOT contracts, climbing slightly above Tuesday's final count of 67,707.

South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
Bread Milling Wheat				
Sep 2019				
Dec 2019	R 4 402.00	0%	R -49.43	R 4 352.57
Mar 2020	R 4 478.00	8.5%	R -38.10	R 4 439.90
May 2020	R 4 545.00	15.5%	R -38.23	R 4 506.77
Jul 2020	R 4 591.00	0%	R -35.66	R 4 555.34
Sep 2020	R 4 592.00	0%	R -49.43	R 4 542.57
Dec 2020				
Cape Wheat				
Sep 2019				
Dec 2019				
Mar 2020				
May 2020				
Jul 2020				
Sep 2020				
Dec 2020				



The local Wheat market closed higher yesterday. The Dec'19 Wheat contract closed R8.00 up and Mar'20 Wheat closed R3.00 higher. The parity move for the Dec'19 Wheat contract for yesterday was R48.00 negative.



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Oil Seed Market

Chicago Board of Trade

CBOT Soybean Seed						
Month	Yesterday 12pm	Main Session Close	Main Session Change	Main Session Change from 12pm	Current Overnight	Overnight Change from Main Session
JAN 2010	899.00	893.50	-7.75	-5.50	902.00	8.50
MAR 2020	914.00	908.00	-7.50	-6.00	908.00	0.00
MAY 2020	927.00	921.75	-7.25	-5.25	921.75	0.00
JUL 2020	940.00	935.00	-7.00	-5.00	934.75	-0.25
AUG 2020	945.00	939.50	-6.75	-5.50	938.25	-1.25

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
DEC 2019	293.3	0.00
JAN 2010	295	295.00
MAR 2010	299.3	299.30
MAY 2010	303.4	303.30
JUL 2010	307.4	307.30

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
DEC 2019	31.23	0.00
JAN 2010	31.44	31.49
MAR 2010	31.71	31.76
MAY 2010	32	32.05
JUL 2010	32.3	32.38

FarmFutures - Soybean prices ran aground on a round of technical selling and profit-taking Wednesday, although trade optimism remains tentatively positive and export demand has been adequate over the past several weeks. January futures fell 7.75 cents to \$8.9350, with March futures down 7.5 cents to \$9.08.

Soybean basis bids were narrowly mixed across the central U.S. Wednesday after tilting 2 cents higher at two Iowa processors while slipping a penny lower at two other Midwestern locations today. Agriculture Secretary Sonny Perdue told reporters earlier this week that the U.S. is unlikely to enact 15% tariffs on \$160 billion in Chinese imports starting December 15. If the U.S. delays or rolls back these tariffs, that goodwill gesture could be a major sign that the two countries are nearing the completion of a phase-one trade agreement. President Trump has recently stated that an ultimate agreement may not happen until after the 2020 elections, however. Private exporters reported two large soybean sales to USDA this morning. The first was for 21.5 million bushels for delivery to China (the largest such sale since April), and the second was for 5.1 million bushels for delivery to unknown destinations. Both sales are for delivery during the 2019/20 marketing year, which began September 1. Ahead of Thursday morning's export report from USDA, analysts are expecting another round of fairly robust soybean sales, with estimates that range between 18.4 million bushels and 40.4 million bushels for the week ending December 5. Unless actuals land on the low end of those estimates, totals will best the prior week's tally of 25.1 million bushels. Preliminary volume estimates were for 281,274 contracts, rising 53% above Tuesday's final count of 184,264.

South African Futures Exchange

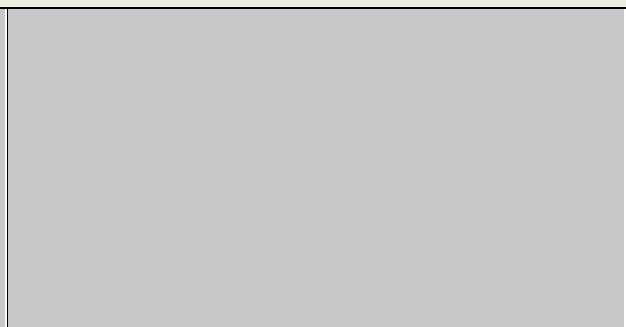
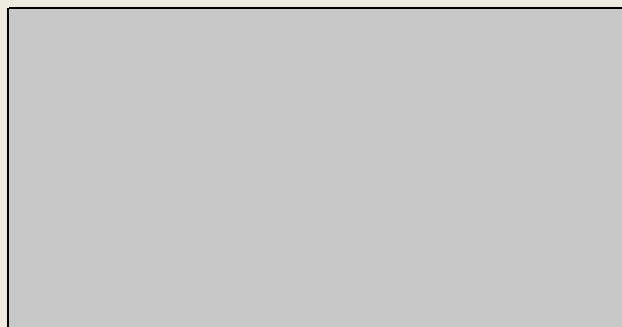
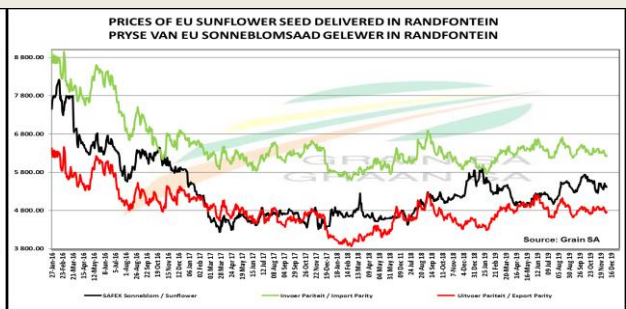
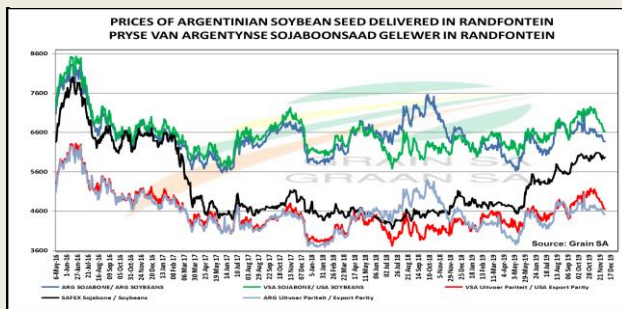
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Sep 2019				
Dec 2019	R 6 210.00	0%		R 6 210.00
Mar 2020	R 6 161.00	17%	R -70.82	R 6 090.18
May 2020	R 5 885.00	17.5%	R -67.33	R 5 817.67
Jul 2020	R 5 960.00	20.5%	R -67.87	R 5 892.13
Sep 2020	R 6 020.00	0%		R 6 020.00
Dec 2020	R 6 045.00	0%		R 6 045.00

Sunflower Seeds Future		
	MTM	Vols
Sep 2019		
Dec 2019	R 5 745.00	0%
Mar 2020	R 5 840.00	13%
May 2020	R 5 633.00	13.5%
Jul 2020	R 5 531.00	0%
Sep 2020		
Dec 2020	R 5 606.00	0%



The local Soya market traded lower yesterday. The Dec'19 Soya contract ended R8.00 down and Mar'20 Soya closed R15.00 lower. The parity move for the Dec'19 Soya contract for yesterday was R66.00 negative.

The local Suns market closed higher yesterday. The Dec'19 Suns contract closed R55.00 up and Mar'20 Suns closed R87.00 higher.



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