



# **Fundamental Report**

## **14 January 2022**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	15.2976	15.4131	0.1155	0.76%
Euro/Rand	17.5461	17.6836	0.1375	0.78%
GBPound/Rand	21.0049	21.1560	0.1511	0.72%
AusDollar/Rand	11.1795	11.2154	0.0359	0.32%
Euro/USDollar	1.1465	1.1473	0.0008	0.07%
GBPound/USDollar	1.3735	1.3724	-0.0011	-0.08%
AusDollar/USDollar	0.7308	0.7277	-0.0031	-0.42%
JpyYen/USDollar	114.5200	113.7500	-0.7700	-0.67%

BDLive - The JSE was little changed on Thursday, but still hovering around a fresh record high, while global markets were mixed as investors digested the US consumer price numbers.

US consumer prices accelerated at the fastest pace since 1982 in December, hitting an annualised 7% from 6.8% in November. The data, which was released on Wednesday, fuelled expectations that the US Federal Reserve will increase rates in March, and that this would be followed by three more hikes in 2022. Jittery global financial markets saw signs of stabilisation on Thursday, with major equity bourses and bond yields holding their ground and the dollar wilting after the highest US inflation reading in nearly 40 years.

The 7% year-on-year US consumer price inflation reading was the highest since 1982, but after weeks of Federal Reserve officials talking about faster interest rate hikes and stimulus withdrawal it had been widely expected.



### Commodities

	Last	Value Change	% Change
Platinum	974.23	4.73	0.49%
Gold	1825.77	3.68	0.20%
Silver	23.14	0.07	0.30%
Copper	4.51	-0.04	-0.81%
Gasoil	741.00	3.50	0.47%
Brent Oil	84.29	-0.18	-0.21%

BDLive - Bengaluru — Gold prices held on Thursday near a one-week high hit in the previous session, as the US dollar and treasury yields retreated after inflation data in line with expectations reinforced the need for quicker interest rate hikes.

Spot gold was flat at \$1,825.74/oz as of 5.02am GMT. US gold futures were down 0.1% at \$1,826.10.

"There's a little window here for gold to go higher, but as we start to move towards the latter part of the month, we're either going to a seasonally bounce in gold or the market gets more fearful that the Fed will continue to stamp out inflation and increase velocity of hiking rates," said Stephen Innes, managing partner at SPI Asset Management.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	69187.73	0.00	0.00%
ALSI	69404.00	0.00	0.00%
S&P 500	4726.35	-67.32	-1.42%
FTSE	7551.72	12.13	0.16%
CAC	7201.14	0.00	0.00%
DAX	16031.59	0.00	0.00%
Hang Seng	24429.77	-240.13	-0.98%



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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
MAR 2022	597.00	587.50	The record	-9.50	586.25	-1.25	-10.75
MAY 2022	599.00	589.50	The record	-9.50	588.25	-1.25	-10.75
JUL 2022	597.00	587.75	The record	-9.25	586.00	-1.75	-11.00
SEP 2022	572.00	567.25	The record	-4.75	566.25	-1.00	-5.75
DEC 2022	562.00	557.75	The record	-4.25	557.50	-0.25	-4.50

FarmProgress - Corn prices moved sharply lower on Thursday after a round of technical selling largely spurred by better weather forecasts in South America. Spillover weakness from soybeans and wheat were also problematic today. March futures dropped 12.25 cents to \$5.8675, with May futures down 11.75 cents to \$5.89.

Corn basis bids trended 4 cents higher at an Iowa processor on Thursday while falling 2 to 8 cents lower at two other Midwestern locations and holding steady elsewhere across the central U.S.

Yesterday, the U.S. Energy Information Administration noted a moderate decline in ethanol production for the week ending January 7, falling to a daily average of 1.006 million barrels. That was the lowest level since early October 2020.

Corn export sales jumped 79% higher from a week ago but were still down 59% from the prior four-week average, with 18.0 million bushels. That was still below the entire range of trade guesses, which came in between 19.7 million and 63.0 million bushels. Cumulative totals for the 2021/22 marketing year are around 42 million bushels below last year's pace, with 616.7 million bushels.

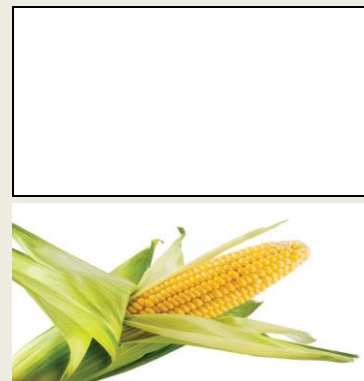
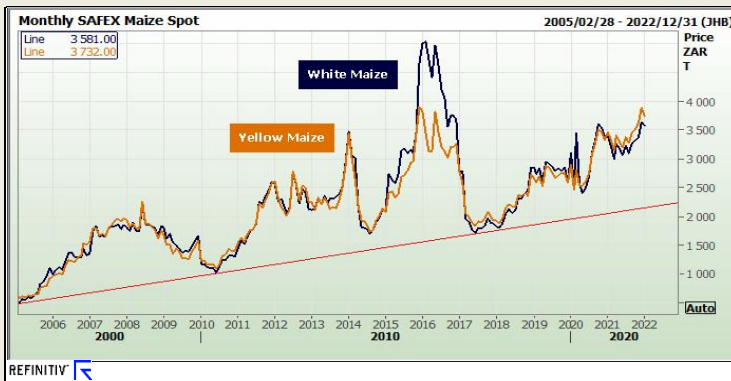
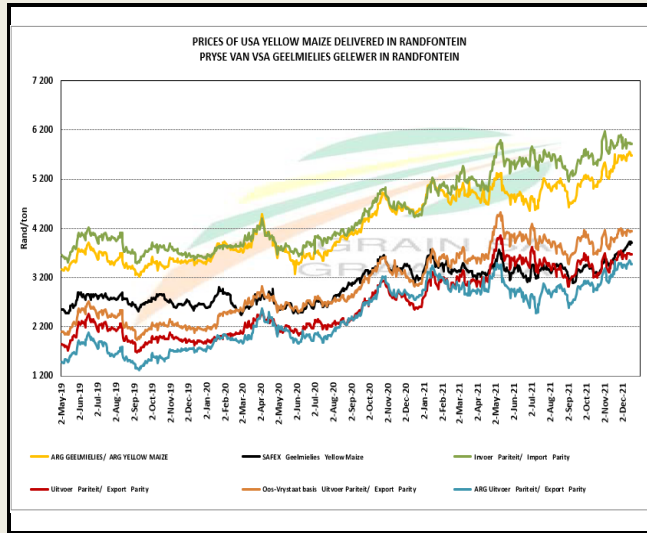
Corn export shipments fared better, inching 3% higher week-over-week to 39.8 million bushels. Mexico was the No. 1 destination, with 13.7 million bushels.



### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
Dec 2021				
Mar 2022	R 3 540.00	31%	R -38.08	R 3 501.92
May 2022	R 3 451.00	26.5%	R -37.99	R 3 413.01
Jul 2022	R 3 432.00	24.75%	R -39.60	R 3 392.40
Sep 2022	R 3 492.00	0%	R -8.88	R 3 483.12
Dec 2022	R 3 570.00	23.25%	R -1.75	R 3 568.25
Dec 2022	R 3 570.00	23.25%	R -1.75	R 3 568.25
<b>Yellow Maize Future</b>				
Dec 2021				
Mar 2022	R 3 694.00	28.75%	R -38.08	R 3 655.92
May 2022	R 3 535.00	24.5%	R -37.99	R 3 497.01
Jul 2022	R 3 517.00	23%	R -39.60	R 3 477.40
Sep 2022	R 3 575.00	21.5%	R -8.88	R 3 566.12
Dec 2022	R 3 646.00	21%	R -1.75	R 3 644.25
Dec 2022	R 3 646.00	21%	R -1.75	R 3 644.25

The local Maize market traded lower yesterday. The Mar'22 WMAZ contract ended R130.00 down and Mar'22 YMAZ closed R130.00 lower. The May'22 WMAZ closed lower by R119.00 and May'22 YMAZ ended R77.00 down. The parity move for the Mar'22 Maize contract for yesterday was R30.00 negative.



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## Wheat Market

### Chicago Board of Trade and Kansas Board of Trade

CBOT Wheat								KBOB 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
MAR 2022	751.00	746.75	The record d	-4.25	742.50	-4.25	-8.50	MAR 2012	768.00	759.75	The record	-8.25	753.50	-6.25	-14.50
MAY 2022	753.00	749.00	The record d	-4.00	745.50	-3.50	-7.50	MAY 2012	769.00	762.25	The record	-6.75	756.50	-5.75	-12.50
JUL 2022	747.00	742.50	The record d	-4.50	739.25	-3.25	-7.75	JUL 2012	771.00	764.75	The record	-6.25	759.50	-5.25	-11.50
SEP 2022	750.00	744.75	The record d	-5.25	741.00	-3.75	-9.00	SEP 2012	772.00	768.50	The record	-3.50	764.75	-3.75	-7.25
DEC 2022	756.00	750.50	The record d	-5.50	529.00	-221.50	-227.00	DEC 2012	781.00	775.50	The record	-5.50	772.75	-2.75	-8.25

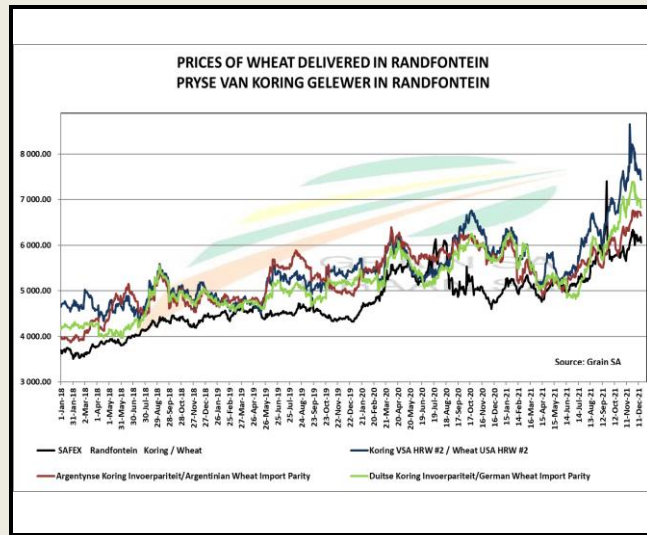


FarmProgress - Wheat prices continued to slump today after traders held their focus on USDA showing higher-than-expected acres, domestic stocks and world stocks. Spillover weakness from other grains generated additional headwinds. March Chicago SRW futures dropped 12.25 cents to \$7.4550, March Kansas City HRW futures lost 20 cents to \$7.58, and March MGEX spring wheat futures tumbled 28.75 cents to \$8.9175. Wheat export sales were up noticeably from a week ago but still landed 20% below the prior four-week average, with 9.7 million bushels. That was a bit on the lower end of trade guesses, which ranged between 5.5 million and 16.5 million bushels. Cumulative totals for the 2021/22 marketing year are still tracking moderately below last year's pace, with 415.5 million bushels. Wheat export shipments improved 23% week-over-week, reaching 9.5 million bushels. Japan and Indonesia were the top two destinations, with each taking 2.2 million bushels.

The International Grains Council raised its estimates for 2021/22 global wheat production by 147 million bushels to reach 28.697 billion bushels. That was primarily due to an increase in Australian production. ICG is also estimating an increase for 2022/23 world production, making it the fourth consecutive season of record-breaking production, if realized.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
Dec 2021				
Mar 2022	R 5 885.00	20%	R -16.27	R 5 868.73
May 2022	R 5 903.00	19.5%	R -10.52	R 5 892.48
Jul 2022	R 5 936.00	11%	R -12.19	R 5 923.81
Sep 2022	R 5 851.00	0%	R -19.14	R 5 831.86
Dec 2022				
<b>Cape Wheat</b>				
Dec 2021				
Mar 2022				
May 2022				
Jul 2022				
Sep 2022				
Dec 2022				
Dec 2022				



The local Wheat market closed lower yesterday. The Mar'22 Wheat contract closed R124.00 down and May'22 Wheat closed R136.00 lower. The parity move for the Mar'22 Wheat contract for yesterday was R4.00 negative.



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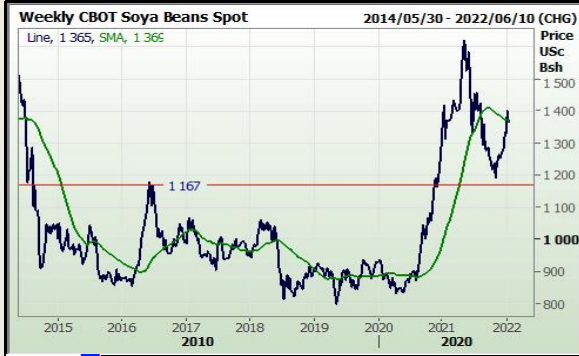
## Oil Seed Market

### 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	Overnight Change from 12pm
JAN 2022	1377.75	1365.25	The record	-12.50	902.00	-463.25	-475.75
MAR 2022	1391.00	1377.25	The record	-13.75	1366.00	-11.25	-25.00
MAY 2022	1400.00	1387.25	The record	-12.75	1375.75	-11.50	-24.25
JUL 2022	1406.00	1394.75	The record	-11.25	1383.25	-11.50	-22.75
AUG 2022	1383.00	1375.25	The record	-7.75	1363.75	-11.50	-19.25

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
JAN 2012	423.7	0.00
MAR 2012	408.9	406.20
MAY 2012	407	403.90
JUL 2012	406.5	403.30
AUG 2012	401.7	398.10

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
JAN 2012	58.18	0.00
MAR 2012	58.44	57.78
MAY 2012	58.57	57.91
JUL 2012	58.59	57.90
AUG 2012	58.28	57.62



FarmProgress - Soybean prices stumbled 1.75% lower after rains heading to South America eased worries somewhat over drought-stressed crops there, and with many consultancies still expecting record or near-record production in Brazil this season. January futures lost 26 cents to \$13.6525, with March futures down 22.25 cents to \$13.77.

Soybean basis bids were steady to weak after falling 5 cents lower at an Ohio elevator and dropping 10 cents at an Illinois river terminal on Thursday. Old and new crop soybean sales totaled 33.7 million bushels last week. That was near the middle of analyst estimates, which ranged between 14.7 million and 60.6 million bushels. Cumulative totals for the 2021/22 marketing year remain moderately behind last year's pace, with 1.162 billion bushels.

Soybean export shipments trailed the prior four-week average by 43%, with 37.5 million bushels. China accounted for nearly half of that total, with 18.0 million bushels.

China is hoping to increase its domestic soybean production by 40% over the next four years from current levels of only around 602 million bushels, according to the country's agriculture ministry. China is heavily reliant on soybean imports, which accounts for around 85% of its annual demand. Its newest five-year plan includes strategies such as cultivating land specifically to grow soybeans and raising yields on existing acres.

### South African Futures Exchange

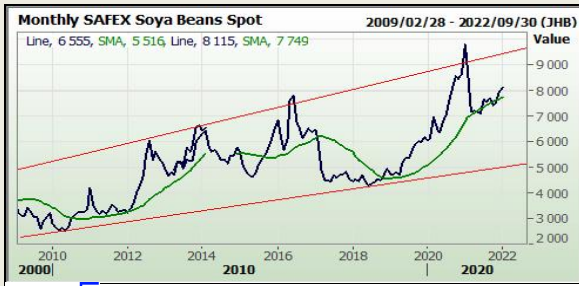
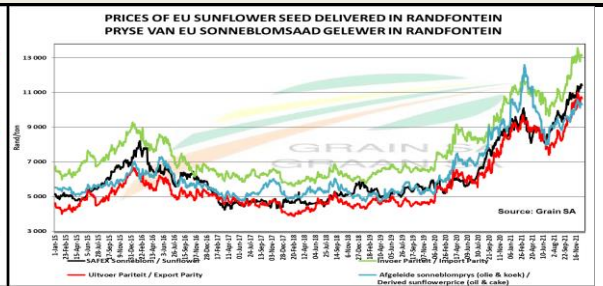
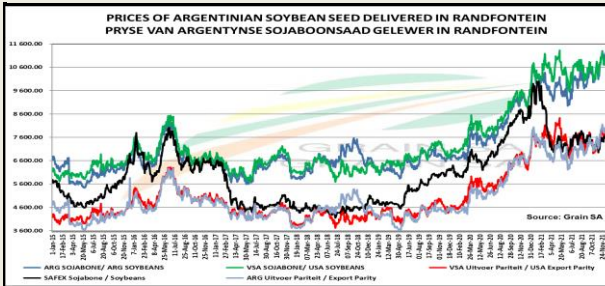
Soybean Future				
	MTM	Vols	Parity Change	Market Price
Dec 2021				
Mar 2022	R 8 052.00	20%	R -82.55	R 7 969.45
May 2022	R 7 933.00	23%	R -77.92	R 7 855.08
Jul 2022	R 8 040.00	24.5%	R -69.17	R 7 970.83
Sep 2022	R 8 142.00	0%		R 8 142.00
Dec 2022				
Dec 2022				

Sunflower Seeds Future		
	MTM	Vols
Dec 2021		
Mar 2022	R 10 090.00	23%
May 2022	R 9 115.00	21%
Jul 2022	R 9 175.00	20%
Sep 2022		
Dec 2022		
Dec 2022		



The local Soya market traded lower yesterday. The Mar'22 Soya contract ended R50.00 down and May'22 Soya closed R44.00 lower. The parity move for the Mar'22 Soya contract for yesterday was R63.00 negative.

The local Suns market closed lower yesterday. The Mar'22 Suns contract closed R220.00 down and May'22 Suns closed R220.00 lower.



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