



# **Fundamental Report**

## **31 January 2022**

## Financial Markets

### Currencies

Currency	Bid - Yesterday 12pm	Current Bid	Value Change	% Change
USDollar/Rand	15.5323	15.5798	0.0475	0.31%
Euro/Rand	17.2974	17.3873	0.0899	0.52%
GBPound/Rand	20.7781	20.8916	0.1135	0.55%
AusDollar/Rand	10.8732	10.9152	0.0420	0.39%
Euro/USDollar	1.1133	1.1159	0.0026	0.23%
GBPound/USDollar	1.3376	1.3410	0.0034	0.25%
AusDollar/USDollar	0.6998	0.7006	0.0008	0.11%
JpyYen/USDollar	115.6300	115.4900	-0.1400	-0.12%

BDLive - The rand weakened to a three-week low on Friday, while the JSE closed little changed on the day, but almost 2,800 points below levels of a week ago. The local bourse was in line with weaker global peers as investors assessed the more hawkish tone of the world's central banks.

From firming to R15.2 against the dollar ahead of the SA Reserve Bank's monetary policy committee meeting interest rates announcement on Thursday, the rand ended that day 0.93% weaker after the MPC increased its benchmark repo rate by 25 basis points to 4%.

Though the move was widely expected, it was the cautious tone struck by the MPC regarding the balancing of rate hikes versus economic conditions that caused the market to "interpret it as a little more dovish than expected, and the rand lost a little bit of ground," said TreasuryONE currency strategist Andre Cilliers. "However, the MPC meeting also coincided with a stronger US dollar which caused emerging-market currencies to lose some ground" added Cilliers.



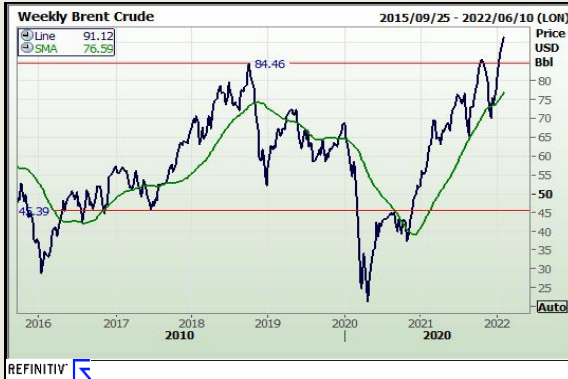
### Commodities

	Last	Value Change	% Change
Platinum	1008.48	0.88	0.09%
Gold	1785.46	-5.57	-0.31%
Silver	22.23	-0.19	-0.84%
Copper	4.32	0.01	0.19%
Gasoil	808.00	6.00	0.74%
Brent Oil	91.12	1.09	1.20%

BDLive - Bengaluru — Gold held steady on Thursday after a sharp drop in the last session, as safe-haven demand driven by concerns over Ukraine countered gains in the US dollar and treasury yields as the Federal Reserve signalled interest rate hikes starting in March.

Spot gold was unchanged at \$1,816.41/oz by 3.24am GMT, after closing 1.6% lower on Wednesday in its worst session since November 22. US gold futures fell 0.7% to \$1,816.20.

"It's confirmed that they're [the Fed] going to raise rates. And that's why we see the bump up in treasury bills. And of course, people are selling gold," said Brian Lan, MD at dealer GoldSilver Central, adding that bullion was also pressured by a sturdy dollar.



### Financials

	Current Bid	Value Change	% Change
JSE TOP 40	67021.38	0.00	0.00%
ALSI	67307.00	0.00	0.00%
S&P 500	4326.51	105.34	2.43%
FTSE	7554.31	-88.24	-1.17%
CAC	6965.88	0.00	0.00%
DAX	15318.95	0.00	0.00%
Hang Seng	23550.08	299.61	1.27%



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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	629.00	636.00	The record	7.00	641.75	5.75	12.75
MAY 2022	625.00	633.25	The record	8.25	639.75	6.50	14.75
JUL 2022	618.00	626.25	The record	8.25	633.25	7.00	15.25
SEP 2022	580.00	584.25	The record	4.25	591.00	6.75	11.00
DEC 2022	567.00	569.50	The record	2.50	576.50	7.00	9.50

FarmProgress - Corn prices saw significant gains after spillover strength from a broad range of other commodities triggered a round of technical buying today, with prices reaching their highest levels in seven months. Overly dry conditions in key production areas of South America lent additional support. March futures rose 11 cents to \$6.3625, with May futures up 10.75 cents to \$6.3375.

Corn basis bids were steady to soft on Friday after dropping 1 to 5 cents lower across three Midwestern locations today.

The EPA has delayed Renewable Fuel Standard compliance deadlines, a move that understandably has ethanol industry groups upset – the basic complaint is it goes against the Congressional intent of RFS. Farm Futures policy editor Jacqui Fatka takes a closer look – click here to learn more.

Corn prices are sitting comfortably above the \$6 per bushel benchmark, which begs the question – could \$7 corn be in play later this year? "March corn trading between the \$6 and \$6.40 price levels is currently very fair value for now," notes Naomi Blohm, senior market adviser with Stewart Peterson. Blohm argues there are four triggers that will need to be pulled for prices to rise substantially, including a lower U.S. Dollar, poor South American crop conditions, an acreage swap in the U.S. and strong exports. Click here for additional analysis. Preliminary volume estimates were for 343,197 contracts, firming moderately above Thursday's final count of 267,612.

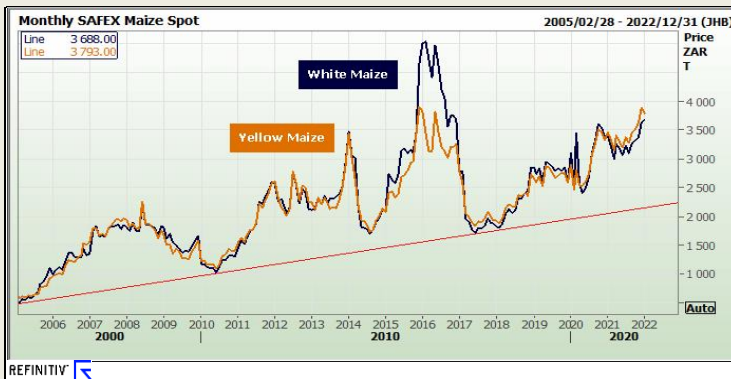
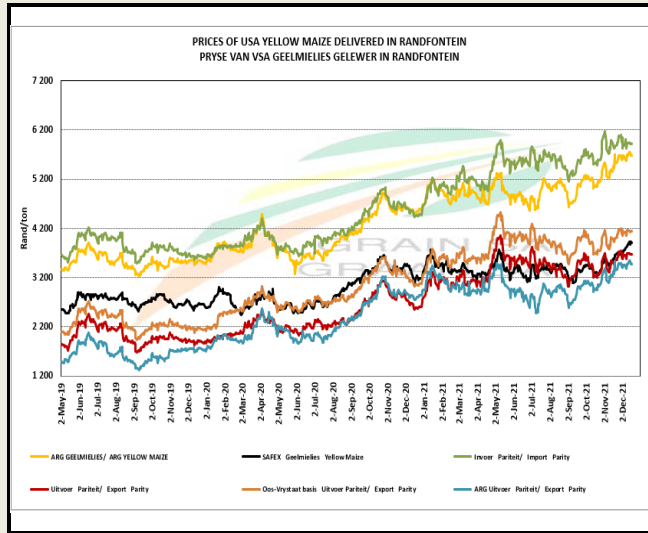


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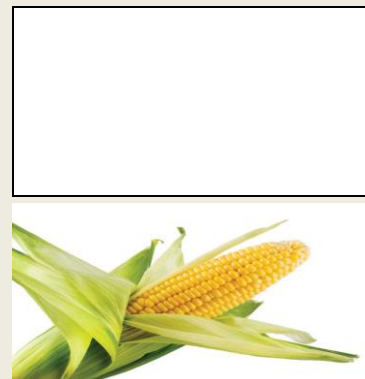
### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>White Maize Future</b>				
Dec 2021				
Mar 2022	R 3 655.00	29.75%	R 89.96	R 3 744.96
May 2022	R 3 584.00	26.5%	R 102.16	R 3 686.16
Jul 2022	R 3 592.00	25%	R 105.09	R 3 697.09
Sep 2022	R 3 650.00	0%	R 78.31	R 3 728.31
Dec 2022	R 3 728.00	23.25%	R 68.87	R 3 796.87
Dec 2022	R 3 728.00	23.25%	R 68.87	R 3 796.87
<b>Yellow Maize Future</b>				
Dec 2021				
Mar 2022	R 3 790.00	28.5%	R 89.96	R 3 879.96
May 2022	R 3 702.00	24.5%	R 102.16	R 3 804.16
Jul 2022	R 3 690.00	23%	R 105.09	R 3 795.09
Sep 2022	R 3 737.00	21.5%	R 78.31	R 3 815.31
Dec 2022	R 3 803.00	21%	R 68.87	R 3 871.87
Dec 2022	R 3 803.00	21%	R 68.87	R 3 871.87

The local Maize market traded higher yesterday. The Mar'22 WMAZ contract ended R62.00 up and Mar'22 YMAZ closed R42.00 higher. The May'22 WMAZ closed higher by R43.00 and May'22 YMAZ ended R26.00 up. The parity move for the Mar'22 Maize contract for yesterday was R97.00 positive.



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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	785.00	786.25	The record d	1.25	798.25	12.00	13.25	MAR 2012	801.00	802.25	The record	1.25	814.50	12.25	13.50
MAY 2022	791.00	791.00	The record c	0.00	802.50	11.50	11.50	MAY 2012	804.00	805.25	The record	1.25	817.00	11.75	13.00
JUL 2022	782.00	782.00	The record c	0.00	793.25	11.25	11.25	JUL 2012	803.00	804.50	The record	1.50	815.00	10.50	12.00
SEP 2022	782.00	782.00	The record c	0.00	793.00	11.00	11.00	SEP 2012	807.00	808.00	The record	1.00	820.00	12.00	13.00
DEC 2022	786.00	786.50	The record c	0.50	529.00	-257.50	-257.00	DEC 2012	813.00	815.75	The record	2.75	827.50	11.75	14.50



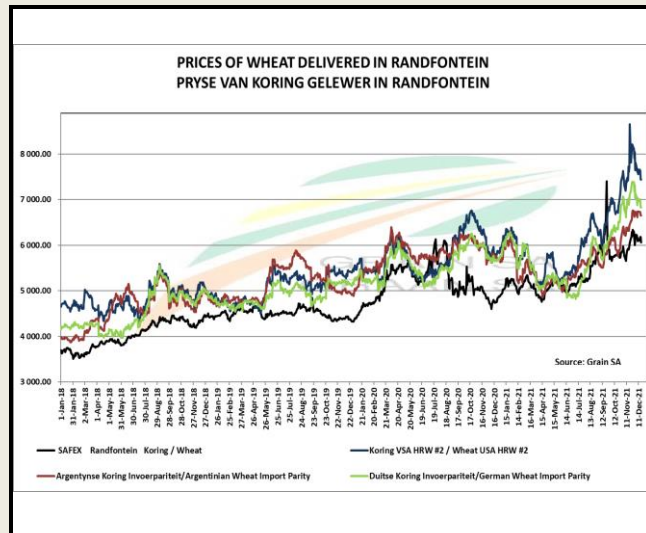
FarmProgress - Wheat prices followed a broad range of other commodities higher on Friday, gaining additional support from persistent concerns over a possible conflict between Ukraine and Russia and widespread drought in the U.S. Plains. March Chicago SRW futures gained 10.25 cents to \$7.8725, March Kansas City HRW futures added 11.25 cents to \$8.0475, and March MGEX spring wheat futures rose 20 cents to \$9.2250.

Drought's footprint in the High Plains has been increasing throughout the winter, covering 83.0% of the region three months ago and covering 90.3% through January 25, per the latest updates to the U.S. Drought Monitor. The Midwest is faring better, with drought covering 38.9% of the region.

Traders will be sure to keep an eye on any developments between Ukraine and Russia moving forward. The two countries combined account for nearly one-third of the world's total wheat exports, and other major sellers (such as the United States, Australia and Argentina) would stand to benefit if buyers become skittish about doing business in the Black Sea region. The Philippines purchased 1.8 million bushels of animal feed wheat from Australia in an international tender that closed yesterday. The grain is for shipment in June. Japan purchased nearly 825,000 bushels of food-quality wheat from Australia in a regular tender that closed earlier today.

### South African Futures Exchange

	MTM	Volatility	Parity Change	Parity Price
<b>Bread Milling Wheat</b>				
Dec 2021				
Mar 2022	R 5 985.00	20%	R 89.55	R 6 074.55
May 2022	R 6 030.00	17%	R 79.64	R 6 109.64
Jul 2022	R 6 031.00	11%	R 78.05	R 6 109.05
Sep 2022	R 5 900.00	0%	R 76.62	R 5 976.62
Dec 2022				
<b>Cape Wheat</b>				
Dec 2021				
Mar 2022				
May 2022				
Jul 2022				
Sep 2022				
Dec 2022				



The local Wheat market closed higher yesterday. The Mar'22 Wheat contract closed R20.00 up and May'22 Wheat closed R31.00 higher. The parity move for the Mar'22 Wheat contract for yesterday was R89.00 positive.



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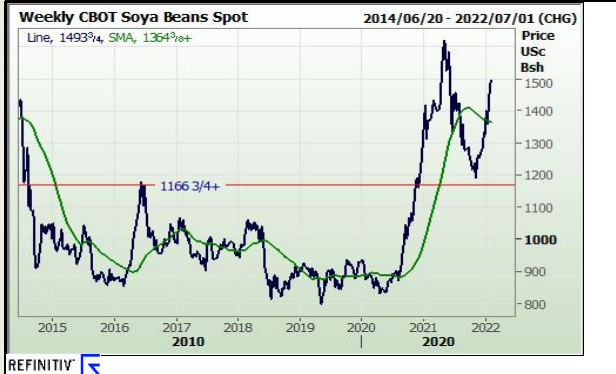
## Oil Seed Market

### 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
MAR 2022	1455.00	1470.00	The record	15.00	902.00	-568.00	-553.00
MAY 2022	1460.00	1475.25	The record	15.25	1498.50	23.25	38.50
JUL 2022	1457.00	1473.50	The record	16.50	1495.75	22.25	38.75
AUG 2022	1431.00	1443.50	The record	12.50	1463.50	20.00	32.50
SEP 2022	1375.00	1384.50	The record	9.50	1397.50	13.00	22.50

CBOT Soybean Meal		
Month	Main Session Close	Current Overnight
MAR 2012	411.2	416.70
MAY 2012	410	415.10
JUL 2012	408.2	413.10
AUG 2012	400.8	404.90
SEP 2012	390.6	394.00

CBOT Soybean Oil		
Month	Main Session Close	Current Overnight
MAR 2012	65.27	66.58
MAY 2012	65.24	66.52
JUL 2012	64.79	66.01
AUG 2012	63.92	65.10
SEP 2012	63.07	64.12



FarmProgress - Soybean prices rose more than 1.5% on Friday, aided by fresh export optimism from three flash sales this morning, with dry South American weather spurring more technical buying today. March futures climbed 23.5 cents to \$14.7175, with May futures up 22.25 cents to \$14.7625.

Soybean basis bids were mostly steady on Friday but did move as much as 5 cents higher at an Ohio elevator and as much as 6 cents lower at an Iowa river terminal today.

Private exporters announced three more large soybean sales to USDA on Friday. The first was for 9.7 million bushels for delivery to China during the 2022/23 marketing year, which begins September 1. Sales of 5.2 million bushels to Mexico and 9.2 million bushels to unknown destinations were also reported today, both of which are for delivery during the current marketing year. Brazil's Abiove is the latest group projecting that 2021/22 soybean production potential has fallen below 5 billion bushels. Abiove's latest production estimate decreased 154 million bushels to 4.990 billion bushels. Export estimates also moved lower, falling to 3.193 billion bushels, while crush estimates are still expected to reach a new record level of 1.764 billion bushels.

South Korean importers purchased around 60,000 metric tons of soymeal, likely sourced from South America, in a private deal that closed earlier today. The grain is for arrival by mid-May.

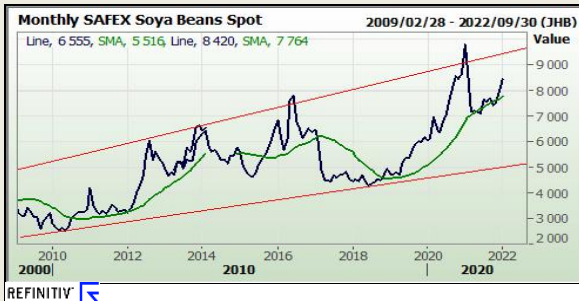
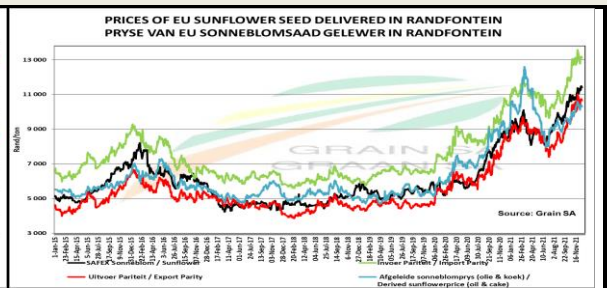
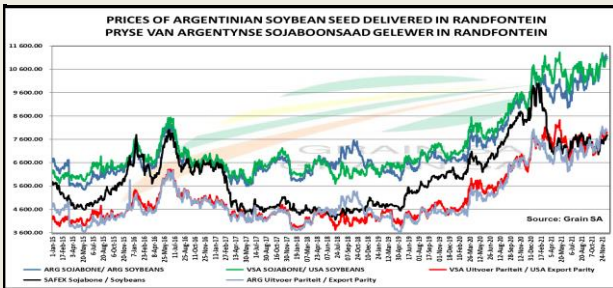
### South African Futures Exchange

Soybean Future				
	MTM	Vols	Parity Change	Market Price
Dec 2021				
Mar 2022	R 8 294.00	20%	R -3 140.31	R 5 153.69
May 2022	R 8 177.00	23%	R 245.88	R 8 422.88
Jul 2022	R 8 273.00	24.5%	R 247.26	R 8 520.26
Sep 2022	R 8 332.00	0%	R 152.80	R 8 484.80
Dec 2022				

Sunflower Seeds Future		
	MTM	Vols
Dec 2021		
Mar 2022	R 9 715.00	23.5%
May 2022	R 8 986.00	21%
Jul 2022	R 9 075.00	20%
Sep 2022		
Dec 2022		

The local Soya market traded higher yesterday. The Mar'22 Soya contract ended R139.00 up and May'22 Soya closed R150.00 higher. The parity move for the Mar'22 Soya contract for yesterday was R255.00 positive.

The local Suns market closed lower yesterday. The Mar'22 Suns contract closed R22.00 down and May'22 Suns closed R6.00 lower.



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