

INTERNATIONAL MARKET

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

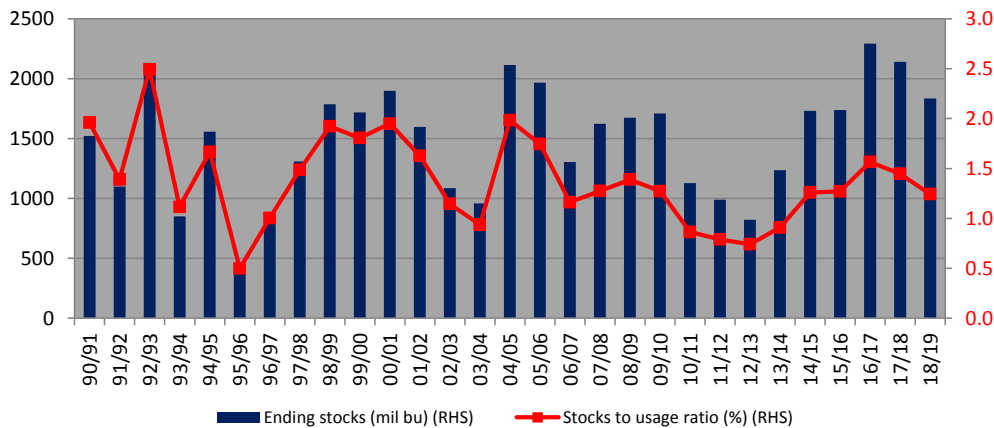
	Currently	05/03/2019	Weekly change (c/bu)	Monthly change (c/bu)
CME Jul-19	372 ½	384 ¼	-11 ¾	-21 ¼
CME Dec-19	387 ½	397 ¼	-9 ¾	-14 ½

- US maize prices traded lower in the past week with both July and December maize coming under some pressure. On a monthly basis US maize prices are also trading lower with July and December giving up 5.4% and 3.6% in the past month respectively.
- On the technical chart for July CME maize we see that the market has been under pressure in the past week with the moving averages and indicators under some pressure. The market is oversold and the market could be looking to target the September lows seen around \$3.70/bushel.
- US maize prices traded lower in the past week following the release of the USDA supply and demand estimates. The US maize ending stocks came in above expectations with the USDA lowering their US maize export and ethanol estimates.
- US maize and soybean futures are also under pressure with the lack of any progress in the US/China trade negotiations.

USDA report

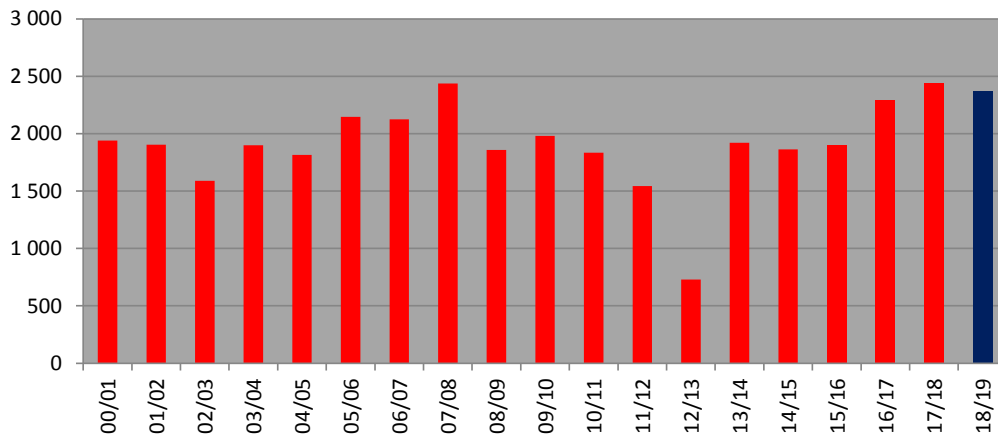
- The USDA released their March supply and demand estimates on Friday. The USDA in their report estimated the 2018/19 US maize ending stocks at 1.835 billion bushels which was well above the market expectation seen at 1.736 billion bushels and higher than the February estimate seen at 1.735 billion bushels.

Figure 1: US maize ending stocks and stock to usage



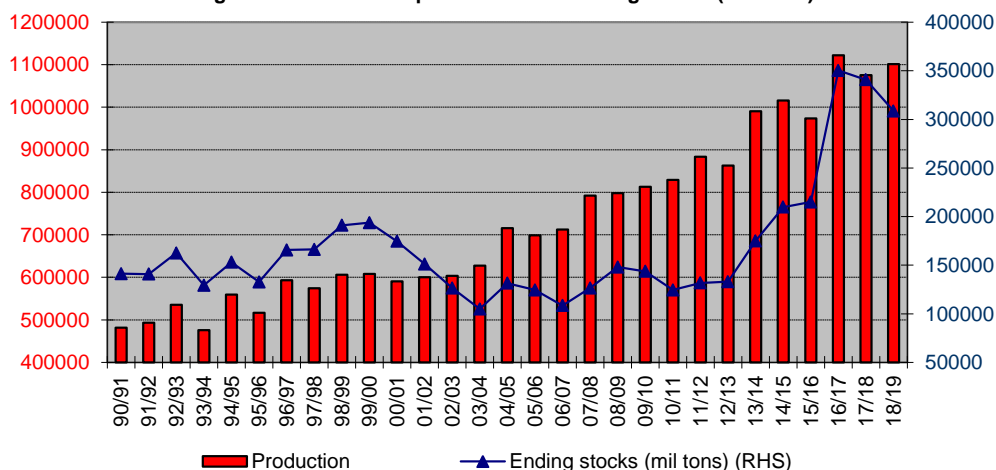
- Changes to the US maize balance sheet included a lower maize export estimate (-85 million bushels) and the USDA also lowered their estimate for maize used in the production of ethanol by 25 million bushels.

Figure 2: US maize exports (mil bushels)



- In terms of the rest of the world the USDA estimated the 2018/19 world maize crop at 1 101.16 million tons which is up from the previous estimate seen at 1 099.61 million tons. The was largely due to a higher crop estimate for the FSU region while the South African maize crop estimate was lowered by 500 000 tons.
- The 2018/19 world maize ending stocks was estimated at 308.53 million tons which is down from the 309.78 million tons seen in the report last month.

Figure 3: World maize production and ending stocks (000 tons)

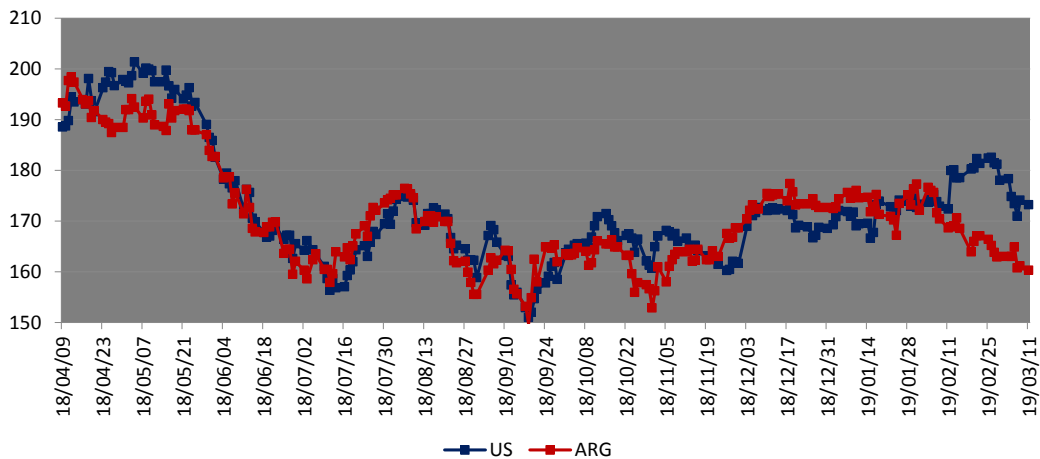


- Looking at the South American maize crop estimates we see that the USDA decided to leave the Argentine maize crop estimate unchanged at 46 million tons while the Brazilian maize crop estimate was also left unchanged at 94.50 million tons.

US and Argentine prices

- The graph below presents the US and Argentine FOB maize prices. From the graph below we see that US and Argentine FOB maize prices has been under some pressure in the past week with US maize ending 0.90% lower while Argentine FOB prices gave up 1.7% in the past week. From the graph below we see that the US/Argentine price spread opened up even further in the past week.

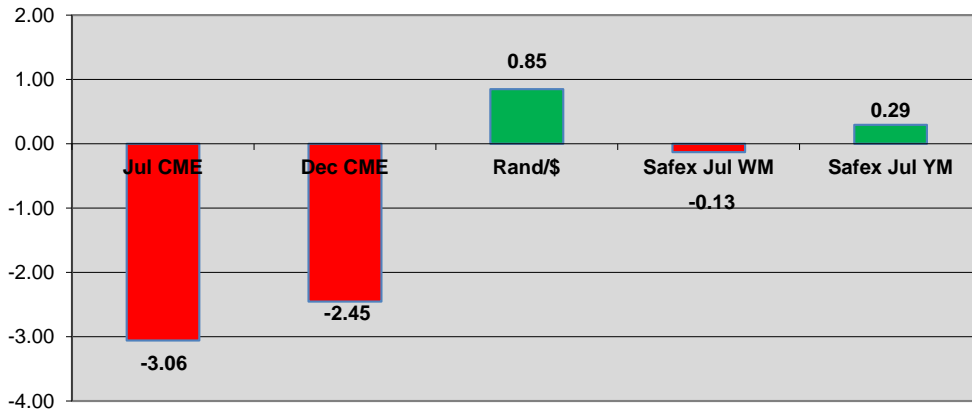
Figure 4: US and Argentine FOB maize prices



LOCAL MAIZE MARKET

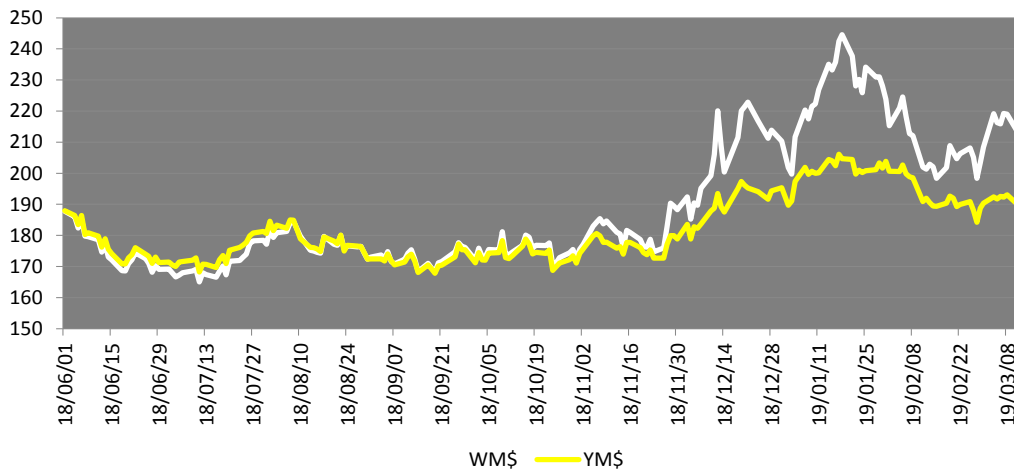
- South African maize prices ended mixed in the past week with July white maize ending 0.13% lower while yellow maize contracts managed to gain 0.29% in the past week. South African white maize traded lower despite the fact that the rand weakened in the past few trading sessions.
- Our markets were pressured by the lower US maize prices seen in the past week and the improved weather conditions. Some good widespread rainfall was seen in some of the central and western parts of the country the weekend and early this week bringing some much needed relief.

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



- The graph below presents the South African white and yellow maize prices for July in dollar/ton. South African white maize prices for July are trading around \$213/ton which is 1.30% lower week/week while yellow maize prices are trading around \$190/ton which is 0.89% lower week/week.

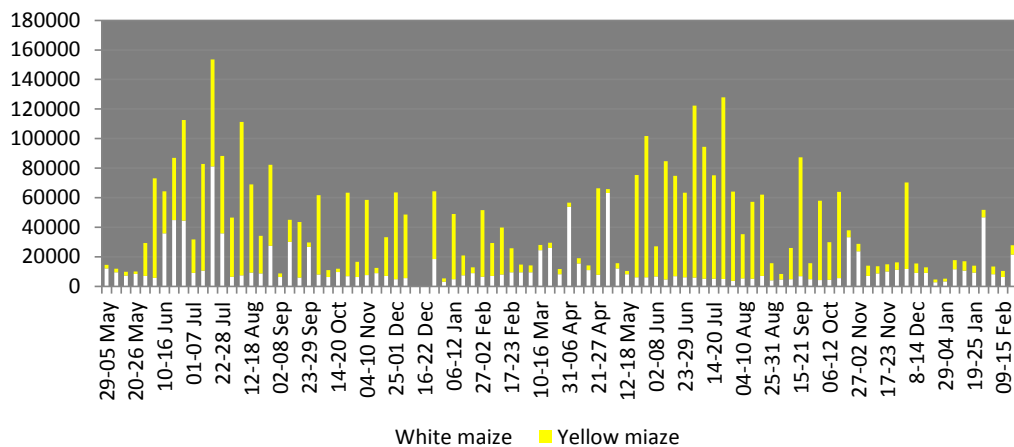
Figure 6: Safex July-19 white and yellow maize (\$/ton)



South African maize exports

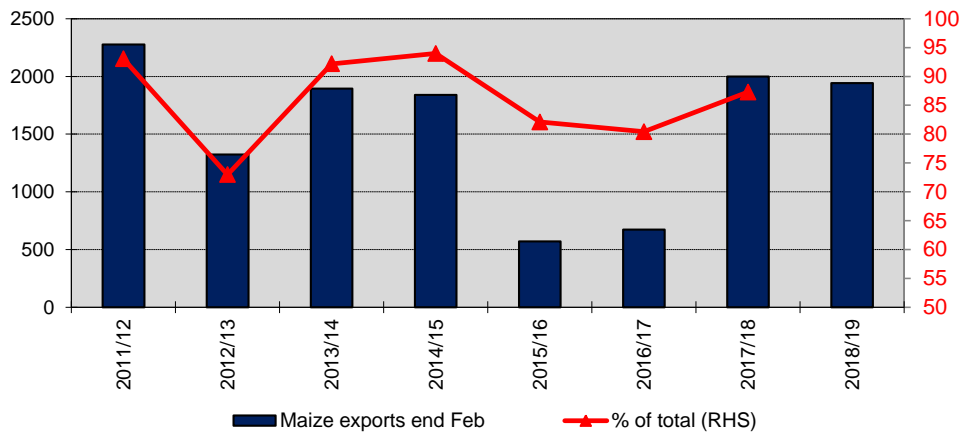
- The weekly South African maize exports for the week ending the 1st of March indicated that 43 990 tons of maize was exported. The maize that was exported included 36 694 tons of white maize and 7 296 tons of yellow maize. The majority of the white maize was exported to Italy.
- This brings the cumulative maize exports for the season to date at 1.943 million tons including 468 657 tons of white maize and 1.474 million tons of yellow maize.
- The maize intended for exports in the 8-weeks ahead through to the 26th of April is seen at 87 622 tons including 54 412 tons of white maize and 33 210 tons of yellow maize.

Figure 7: Weekly South African white and yellow maize exports



- The graph below presents the South African whole maize exports seen at the end of February on the past few seasons as well as the % of total whole maize exported by the end of February in the past few seasons.
- From the data in the graph below we see that on average in the past 7-years the South African total whole maize exports at the end of February represented 86% of the total marketing year exports.

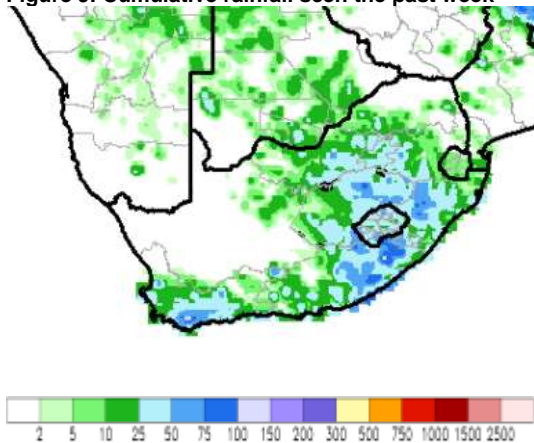
Figure 8: South African whole maize exports end of Feb and % of total



South African weather

- The weather map below presents the cumulative rainfall that was seen in the past week ending the 10th of March. From the weather map we see that some good rainfall amounts was seen in parts of the Free State and the North West province. Some more rainfall was seen yesterday and early this morning. The forecast for the week ahead expects slightly drier conditions.

Figure 9: Cumulative rainfall seen the past week



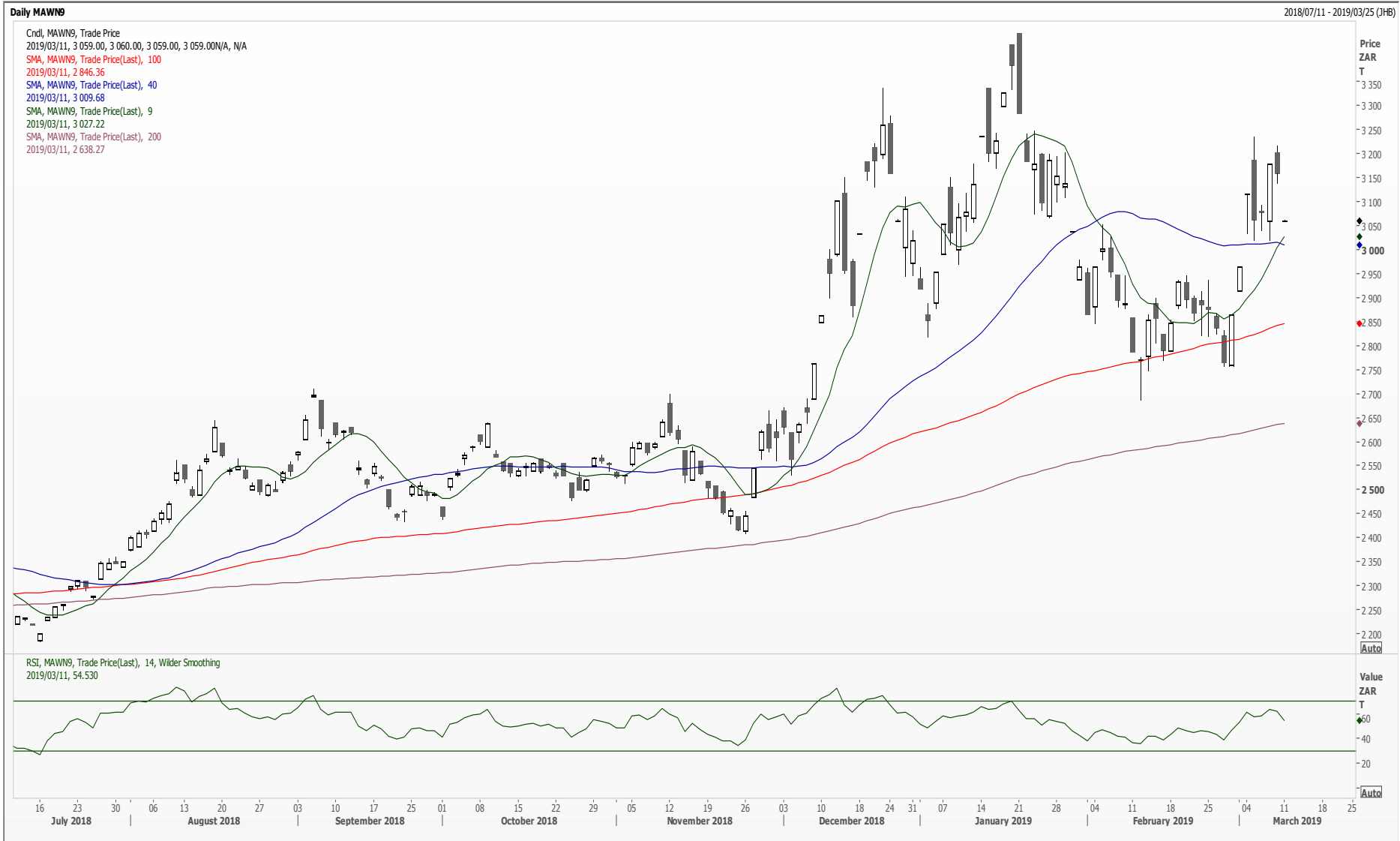
FOCUS FOR THE WEEK

- US maize prices traded lower in the past week with the bearish USDA ending stocks estimates and the lack on a deal in the US/China trade talks weighing on maize and soybean prices.
- On the technical chart for July CME maize we see that the market traded to new recent lows with the moving averages and indicators still under some pressure. The market is oversold but could be targeting the September low seen around \$3.70/bushel.
- South African maize prices ended mixed in the past week with the rand slightly weaker but US maize prices did come under some pressure. The rand did however pull off the highs seen at the end of last week.
- Improved weather conditions weighed on our market especially white maize with some rainfall that was seen in the central and western parts of the country the past weekend and early this week.
- On the chart for July white maize we see that the market has been under pressure in the past 2 trading sessions and support is seen at the 40-day average seen at R3009 and the gap left open back around R2970-R2980.



Also see the technical graphs below

- Safex Jul-19 white maize prices
- CME Jul-19 corn prices



"Together we make a difference"



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