



INTERNATIONAL MARKET

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

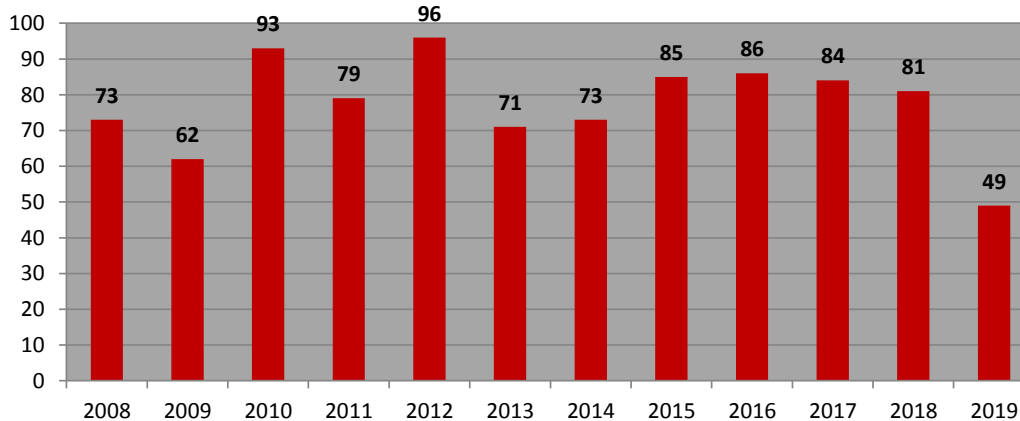
	Currently	15/05/2019	Weekly change (c/bu)	Monthly change (c/bu)
CME Jul-19	388 ½	369 ½	19	25
CME Dec-19	408 ½	388 ¾	17 ¾	24

- US maize prices posted some good gains in the past week with both the old and new crop contracts posting some gains. On a monthly basis US maize prices are also trading higher with CME July and December gaining 6.8% and 6.2% in the past month respectively.
- On the chart for July CME maize we see that US maize prices surged higher in the past few sessions with the market breaking above the 40-day and 100-day averages and the market traded to an intraday high of \$3.99/bushel in the session yesterday. The shorter moving averages and indicators are pulling higher but the market is overbought.
- US maize prices surged higher in the past week with the historically slow maize planting progress in the US driving prices higher. The weather forecast also expect some more rainfall in the week ahead and the planting delays could see some acres being shifted to soybean production. The late planting of maize could also have a negative impact on US maize yields going forward.

USDA crop progress report

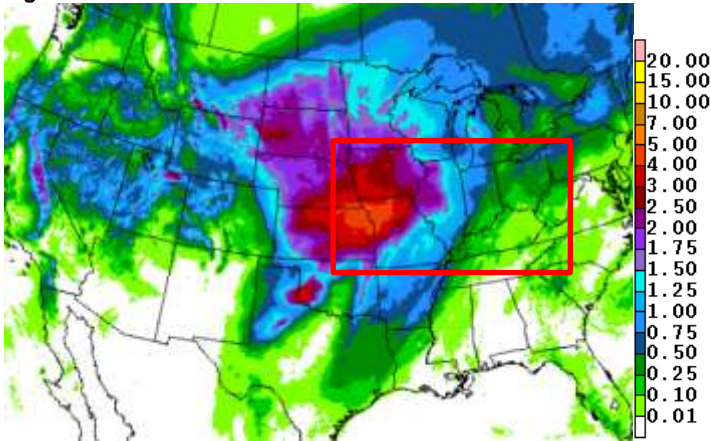
- The USDA in their crop progress report indicated that 49% of the US maize crop has been planted which is up from the 30% reported last week. The market was looking for 50%-52% of the crop to be planted. The current US maize planting progress is well behind the 5-year average seen at 80% planted this time of the year.
- The USDA in their weekly report also indicated that 19% of the US maize crop has emerged which is up from the 10% reported last week. The 5-year average rate of emergence for this time of the year is seen at 49%.

Figure 1: US maize planting progress (% complete)



- The weather map below presents the cumulative rainfall forecast for the week ahead. From the map we see that some more widespread rainfall is forecasted for the central and western parts of the US Midwest in the week ahead. The rainfall that is forecasted could continue to slow the planting progress in the US.
- The ongoing rainfall and excessive moisture in the US Midwest could see some of the US maize acres being shifted to soybean production. Recently talk from the Trump administration that they looking into a possible \$2/bushel aid payment to soybean producers due to the US/China trade war could also attract some soybean acres.

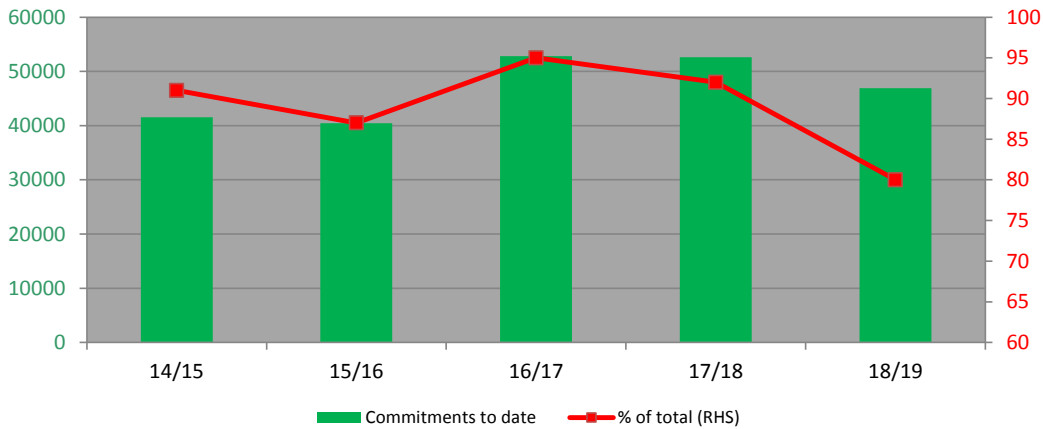
Figure 2: Cumulative rainfall forecast for week ahead



US export progress

- The graph below presents the US maize export progress seen to date. From the graph below we see that the 2018/19 maize committed for exports is below the commitments seen the same time of the year in the past 2-seasons.
- On average the US maize committed for exports this time of the year represents 80% of the USDA export estimate which is behind the 5-year average seen at 92% for this time of the year.

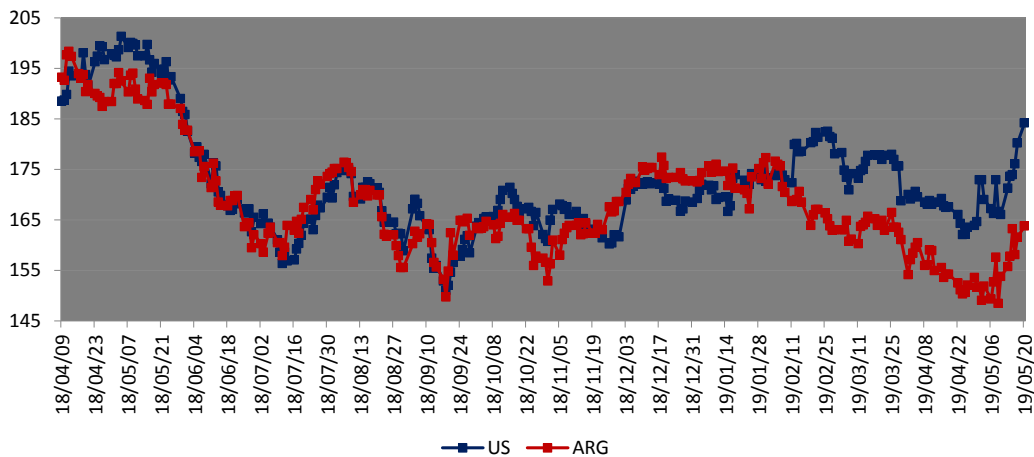
Figure 3: US maize committed for exports and % of total



US and Argentine prices

- From the graph below we see that FOB prices posted some strong gains in the past week with US FOB prices trading at \$184/ton which is 7.5% higher week/week while Argentine maize prices are seen at \$164/ton which is 5.2% higher week/week.

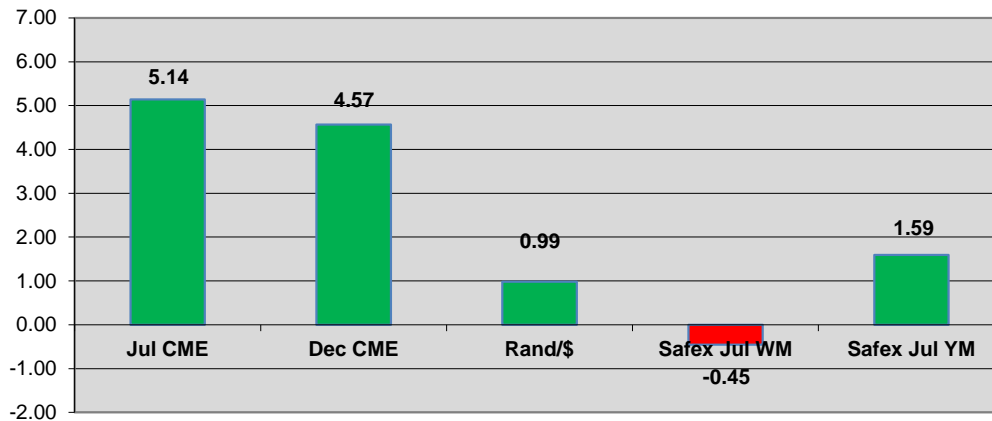
Figure 4: US and Argentine FOB maize prices



LOCAL MAIZE MARKET

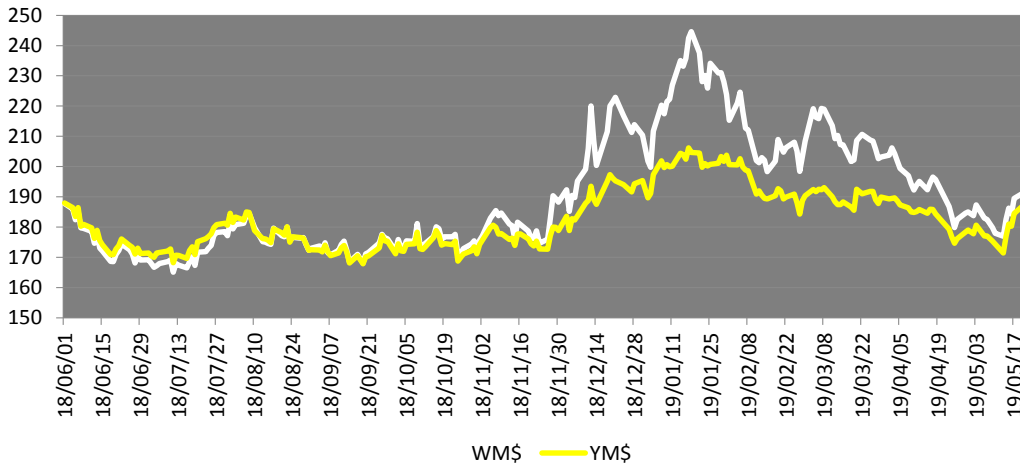
- South African maize prices ended mixed in the past week with July white maize ending 0.45% lower while July yellow maize gained 1.59% in the past week. South African maize prices especially white maize underperformed in terms of the US markets with July CME ending 5.1% higher in the past week.
- The rand weakened slightly in the past week but this also failed to support our market with the rand trading around R14.35/\$ currently compared to the R14.21/\$ seen a week ago. On the chart for the rand key support is seen in the R14.27-R14.24 area with the with the 40-day, 50-day and 200-day averages seen in that area.

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



- The graph below presents the South African white and yellow maize prices in dollar/ton. South African maize prices in dollar terms initially posted some gains but pulled lower in the past 2 sessions. July white maize is currently trading around \$184/ton which is 1.4% lower week/week while yellow maize is trading around \$182/ton which is 0.6% higher week/week.

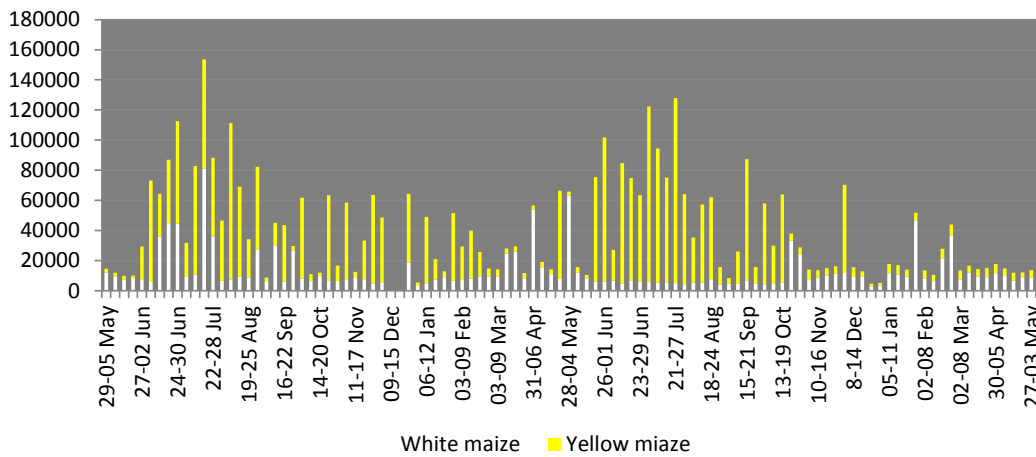
Figure 6: Safex July-19 white and yellow maize (\$/ton)



South African maize exports

- The weekly South African maize exports for the week ending the 10th of May indicated that 16 022 tons of maize was exported in the past week. The maize that was exported included 9 298 tons of white maize and 6 724 tons of yellow maize. This brings the cumulative whole maize exports in the season to date at 29 694 tons including 17 829 tons of white maize and 11 865 tons of yellow maize.
- The maize intended for export in the 8-weeks through to the 5th of July point to exports of 121 377 tons including 88 760 tons of white maize and 32 617 tons of yellow maize.

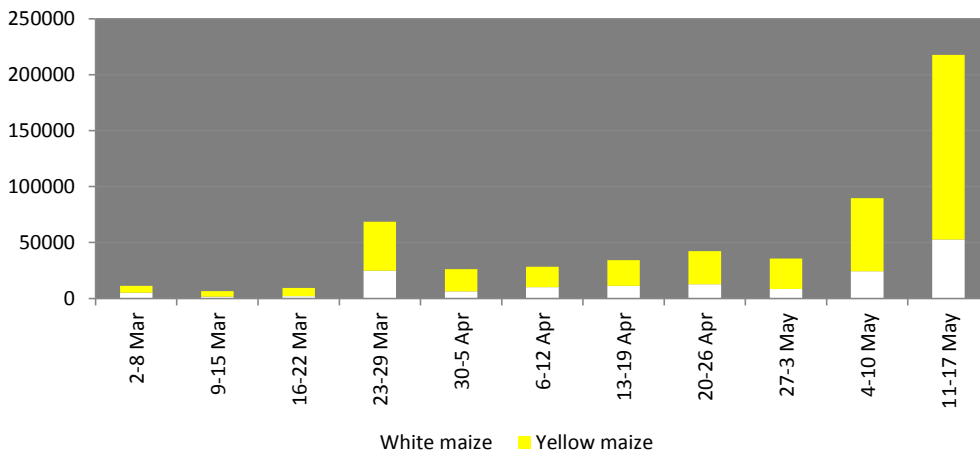
Figure 7: Weekly South African white and yellow maize exports



South African producer deliveries

- The weekly South African producer deliveries of maize for the week ending the 17th of May indicated that 217 607 tons of maize was delivered in the past week including 52 807 tons of white maize and 164 800 tons of yellow maize. This brings the cumulative producer deliveries from the beginning of May at 342 939 tons including 85 602 tons of white maize and 257 337 tons of yellow maize.

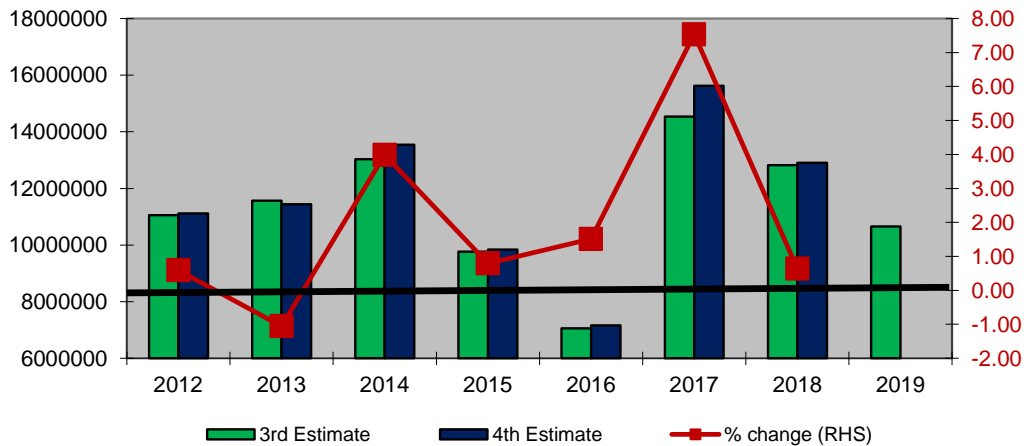
Figure 8: Weekly South African producer deliveries



CEC crop estimate

- The CEC will release their 4th South African maize crop estimate in their report on Tuesday the 28th of May. The graph below presents the CEC 3rd and 4th crop estimates and the % change between the 2 estimates in the past 7-years. From the graph we see that the 4th maize crop estimate was larger than the 3rd crop estimate in 6 of the past 7-years.

Figure 9: CEC 3rd and 4th maize production estimates and % change



FOCUS FOR THE WEEK

- US maize prices posted some strong gains in the past week with the slow planting progress in the US driving the market higher. The weather forecast expects some more showers in the US Midwest in the week ahead.
- On a chart for July CME maize we see that the market did break above the key average and a break above the \$4.00 level could result in some short covering. Keep in mind investment funds are net short.
- South African maize prices ended mixed in the past week with white maize under some pressure while July yellow maize posted some gains. The July white/yellow split narrowed to below R30/ton in the session today.
- On the chart for July white maize we see that the market sold off sharply in the past 2-sessions with the market breaking below the key averages. The market also managed



to close the gap left open earlier in maize. The moving averages and indicators remain under some pressure.

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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