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Key Data Releases in Agricultural Markets:

- USDA's crop progress report: 16/04/2018
- SAGIS weekly grain trade data: 17/04/2018
- SAGIS producer deliveries data: 18/04/2018
- SAGIS monthly data: 25/04/2018
- National Crop Estimates Committee's second summer crop production estimates: 25/04/2018

ECONOMIC INDICATORS	13/04/2018*	16/04/2018*	d-o-d (%Δ)
Rand/US Dollar	12,03	12,07	-0,33%
Rand/Euro	14,82	14,89	-0,47%
Euro/US Dollar	1,2319	1,2332	+0,11%
Gold Spot	1 340,88	1 347,03	+0,46%
Brent Crude Oil	72,15	71,85	-0,42%
Platinum Spot	933,62	929,65	-0,43%
Dow Jones Industrial Average	24 483,05	24 360,14	-0,50%
JSE All Share	56 596,46	56 563,17	-0,06%
SA repo rate	6.50	6.50	0,00%
SA CPI (y/y %)	4,00	4,00	0,00%
SA CPI – food (y/y %)	4,00	4,00	0,00%

**Previous day's prices are from midday (12h00) and today's ones were captured before 08h00*

- The Rand lost ground this morning, weakening by 0.33 percent against the US Dollar from levels seen at midday Friday, partly due to relatively lower global commodity prices. This occurred although the US Dollar slightly depreciated against major currencies. At the time of writing, the Rand/US Dollar exchange traded around R12.07. From a domestic data front, it is likely to be a quiet day with no major data releases.

- This morning the Brent crude oil market was somewhat under pressure with the price down by 0.42 percent from levels seen at midday Friday, trading around US$71.85 per barrel. These losses were partially on the back of an expected uptick in US oil production. The most recent data from Baker Hughes shows that the number of active US rigs drilling for oil climbed by 7 to 815 in the week ending 13 April 2018.

MAIZE/CORN	13/04/2018*	16/04/2018*	d-o-d (%Δ)
White maize Spot (R/t)	1 954	1 964	+0,51%
White maize Jul 18 (R/t)	2 023	2 033	+0,49%
Yellow maize Spot (R/t)	2 059	2 070	+0,53%
Yellow maize Jul 18 (R/t)	2 117	2 127	+0,47%
CME corn Spot (US cents/bushel)	388	384	-1,03%

**Previous day's prices are from midday (12h00) and today's ones were captured before 08h00*

- On Friday, the SAFEX maize market managed to claw back some of its recent losses as the relatively weaker Rand against the US Dollar, higher Chicago maize prices, as well as strong commercial buying interest continued to add support to the market.

- With that said, the market is still on a bearish trend. While there was a marginal uptick on Friday, the current price levels are at least 5 percent lower than the corresponding period last year. This is mainly because the market is well supplied. As indicated in our previous notes, there are roughly 4.1 million tonnes of ending stocks in the 2017/18 marketing year which ends on 30 April 2018. This will boost supplies in the 2018/19 marketing year, starting on 01 May 2018. The expected maize harvest for the season is 12.42 million tonnes, which is well above annual consumption of 10.5 million tonnes.

- The weather conditions remain constructive. Over the weekend, parts of the maize belt received light and scattered showers. This week is expected to see a continuation of light showers across the country, which bodes well for crops in late planted areas, which still need moisture.

- This, however, might not make a meaningful improvement in crop conditions in some areas in the eastern sections of the country as the crop has already matured. At the same time, the crop will not be disadvantaged, as the expected rainfall could be light, varying between 13 and 25 millimetres over the maize belt.

- In the region, Zimbabwe's 2017/18 maize production could decline by 65 percent from the 2016/17 production season to 745 000 tonnes[1]. This decline is mainly on the back of unfavourable weather conditions at the start of the season. Importantly, this means that Zimbabwe could be a net importer of maize as its annual maize consumption is around 2.2 million tonnes.

Bottom line – Today the domestic maize market could trade sideways if the ZAR/USD exchange and Chicago maize prices maintain the current trends.

[1] http://www.financialgazette.co.zw/zimbabwe-set-to-import-maize-this-year/

WHEAT	13/04/2018*	16/04/2018*	d-o-d (%Δ)
SAFEX Wheat Spot (R/t)	3 890	3 862	-0,72%
SAFEX Wheat May 18 (R/t)	3 906	3 875	-0,79%
CME Wheat spot (US cents/bushel)	474	468	-1,27%

**Previous day's CME prices are from midday (12h00) and today's ones were captured before 8h00am*

- The SAFEX wheat prices started Friday's trade session in positive footing, but lost ground towards the end of the session and settled in negative territory. Increased commercial selling, as well as lower Chicago wheat prices were amongst the drivers underpinning the market.

- South Africa is a net importer of wheat, therefore developments in the global market tend to spill over to the local market. Friday's session was no exception, the US wheat market was under pressure owing to expectations of rainfall across over the southern Plains[2].

- Drier and warm weather conditions have kept the US wheat on the back foot. On 08 April 2018, farmers had planted only 2 percent of the intended area for spring wheat, well below the area planted at the corresponding period last year, according to data from the USDA. These delays were mainly caused by persistent dryness in some States. At the same time, the US winter wheat crop conditions were rated at 30 percent good/excellent, which is 23 percentage points lower than the same period last year. This too was largely due to persistent dryness in winter wheat growing areas. The USDA will release an update of US crop conditions later today. It is most likely that there is marginal progress from the aforementioned rates, as a large part of last week was mostly dry and cool in US wheat growing areas. The improvements could be seen if the expected rainfall this week materialises.

- From a global perspective, the wheat market is well supplied. Last week, the USDA placed its 2017/18 global wheat production at 758 million tonnes, up by a percentage point from the previous season. At the same time, the ending stock was estimated at 271 million tonnes, up by 6 percent from the 2016/17 season.

- This means that key wheat importing regions such as North Africa, Middle East and sub-Saharan Africa, amongst others, will be well supplied in the 2017/18 season, despite the decline in production in countries such as the US, Canada and Australia. The uptick in global supplies is boosted by a large harvest in Russia and India. The USDA forecasts sub-Saharan Africa's 2017/18 wheat production at 26 million tonnes, up by 18 percent from the previous season. This equates to a 14 percent share of global wheat imports.

Bottom line – Similar to the maize market, today the local wheat prices could trade sideways if the ZAR/USD exchange and Chicago wheat prices maintain the current trends.

[2] Please see the link for more information on US near term weather forecast: http://wxmaps.org/pix/prec1

SOYBEAN	13/04/2018*	16/04/2018*	d-o-d (%Δ)
SAFEX Soybean Spot (R/t)	4 661	4 704	+0,92%
SAFEX Soybean May 18 (R/t)	4 692	4 730	+0,81%
CME Soybean Spot (US cents/bushel)	1 065	1 053	-1,13%

**Previous day's CME prices are from midday (12h00) and today's ones were captured before 8h00am*

- The South African soybean market had a good run on Friday's trade session and settled in positive territory. The relatively weaker domestic currency against the US Dollar, as well as a spill-over support from higher Chicago soybean prices were the key factors underpinning the market that day.

- The Chicago soybean prices were, amongst other factors, driven by solid global demand for soybeans and its products. The data released by the USDA on Thursday evening showed that the US weekly soybean exports reached 1.5 million tonnes, which is well above market expectations.

- It is also worth noting that Argentina bought 120 000 tonnes of US soybean last week. This follows an expected decline in Argentina's 2017/18 soybean production owing to the ongoing drought in some parts of the country.

- In fact, last week the Rosario Grains Exchange revised its 2017/18 Argentinian soybean production estimate down by 3 million tonnes from last month to 37 million tonnes. This is 33 percent lower than the previous season's harvest, due to expectations of lower yields in a couple of drought-stricken areas.

- The decline in Argentina's soybean production is mirrored in global supplies. The USDA revised its 2017/18 global soybean production down by 2 percent from last month to 335 million tonnes, following expectations of a decline in Argentina's harvest. When viewed on an annual basis, this represents a 5 percent year-on-year decline. This has subsequently led to a 6 percent y/y decline in global soybean stock to 91 million tonnes.

- Still, on the global front, the 2017/18 soybean demand is expected to remain solid. The USDA forecasts the 2017/18 global soybean imports at 152 million tonnes, up by 5 percent from the previous season. China, the EU, Mexico and Japan are set to be amongst key global soybean buyers in the 2017/18 season, with imports estimated at 97 million, 14 million, 4 million and 3 million tonnes, respectively.

- Back on home soil, the soybean crop is in good condition, with a large part approaching the harvest period. The expected rainfall within the next two weeks could delay the harvest process but might not cause crop damage as it is expected to be light showers of just below 25 millimetres.

Bottom line – Today the domestic soybean market could also trade sideways if the Chicago soybean prices and the ZAR/USD exchange maintain the current trends.

SUNFLOWER SEED	13/04/2018*	16/04/2018*	d-o-d (%Δ)
SAFEX Sunflower seed Spot (R/t)	4 597	4 627	+0,65%
SAFEX Sunflower seed May 18 (R/t)	4 607	4 620	+0,28%
EU (France) sunflower seed (US$/t)	411	410	-0,24%

**Previous day's CME prices are from midday (12h00) and today's ones were captured before 8h00am*

- The SAFEX sunflower seed prices managed to claw back some of its recent losses on Friday's trade session despite the bearish sentiments emanating from expectations of good weather conditions in the country. The weaker ZAR/USD exchange and commercial buying interest were the key factors underpinning the market.

- The sunflower seed crops present a mixed picture. The crops in areas that planted during optimal planting window are approaching the harvest period, therefore rainfall could cause delays in this process. Meanwhile, the late-planted areas in the western parts of the North West and Free State could still benefit from moisture.

- Parts of the late-planted areas of the North West province received light showers this weekend, which is conducive for crop developments. The week ahead presents a possibility of continuous rainfall across the country, which should further improve soil moisture, and subsequently crop conditions.

- The expected rainfall, however, will most likely be light and scattered, expected to vary between 16 and 20 millimetres. Therefore, the areas that planted during optimal planting window with the crop already approaching the harvest period might not be disadvantaged or experience crop damages.

- The key concern for some farmers in North West and Free State provinces is a possibility of frost occurrence later in the season as it could negatively affect the yields in the late-planted areas. We will continuously monitor the weather developments in these areas over the coming weeks.

- Overall, the sunflower seed crop is generally in good condition across the country, which is supportive of the National Crop Estimates Committee's estimate of a fairly good harvest of 749 205 tonnes of production in the 2017/18 season (down by 14 percent from the previous season)[3]. An update of this estimate will be released on Wednesday next week. We do not foresee any major changes, as weather conditions have been favourable since the last assessments. If there's any, it will possibly be an upward revision of the production estimate.

Bottom line – Today, the domestic sunflower seed market could receive additional support owing to the slightly weaker ZAR/USD exchange.

[3] This is due to a reduction in area planted, as well as expected lower yields in some areas. This was in turn, driven by unfavourable weather conditions at the beginning of the season, particularly in the western regions of the country.

POTATO	13/04/2018*	16/04/2018*	d-o-d (%Δ)
RSA Potato (R/10kg)	38,46	37,29	-3,04%

**Previous day's price survey across RSA fresh produce markets*

- The South African potatoes market remained on a bearish trend on Friday's trade session owing to a large stock of 1.05 million pockets (10kg bag) at the start of the session. The price declined by 3 percent from the previous day, closing at R37.29 per pocket (10kg).

- However, towards the end of the session, the market experienced strong commercial buying interest, coupled with relatively lower deliveries on the back of slow harvest activity in some parts of the country. This subsequently led to a 5 percent decline in daily stocks to 998 259 pockets (10kg bag).

Bottom line – Today the potatoes price could experience extended losses due to a relatively large stock of 998 259 pockets (10kg bag).

FRUIT (South Africa)	13/04/2018*	16/04/2018*	d-o-d (%Δ)
Apples (R/kg)	6,84	7,00	+2,34%
Bananas (R/kg)	7,79	7,75	-0,51%
Oranges (R/kg)	2,83	2,75	-2,83%

**Previous trading day's price survey in South African fresh produce markets*

- The South African fruit market settled on a mixed footing in Friday's trade session. The price of apples was up by 2 percent from the previous day, closing at R7.00 per kilogram. This followed a 27 percent decline in daily stock to 456 327 tonnes.

- Meanwhile, the prices of bananas and oranges were down by a percentage point and 3 percent from the previous day, closing at R7.75 and R2.75 per kilogram, respectively. These losses were partially on the back of fairly large stocks of 689 776 tonnes of bananas and 379 805 tonnes of oranges.

Bottom line – The changes in traded volumes and buying interest are likely to be amongst the key factors underpinning the South African fruit market this week.

BEEF CARCASS	13/04/2018*	16/04/2018*	d-o-d (%Δ)
SAFEX Beef June 18 (R/kg)	39,50	39,50	0,00

**Previous day's CME prices are from midday (12h00) and today's ones were captured before 8h00am*

- The SAFEX beef carcass market ended Friday's trade session on a quiet footing with the price unchanged from the previous day, closing at R39.50 per kilogram. As highlighted in our previous notes, the SAFEX beef carcass price might not be a true reflection of the physical market, which continues to show solid activity. From a meat supply perspective, South African farmers slaughtered 185 262 head of cattle in February 2018, down by 11 percent from the corresponding period last year. This was largely on the back of a cattle herd rebuilding process after a reduction during the 2015-16 drought. Lower maize prices and a good recovery in pastures have provided a conducive environment for the cattle stock rebuilding process.

Bottom line – With traded volumes at the stock exchange still disappointing, the SAFEX beef carcass prices will again most likely remain flat throughout the week.

WEATHER FORECAST: South Africa

- Parts of the summer crop growing areas of the country received light and scattered showers over the weekend. This week promises continuous rainfall across the country, which bodes well for summer crops, especially the late planted areas that still need moisture. The expected rainfall in the Western Cape province might not make a meaningful improvement on soil moisture as it is expected to be light, varying between 10 and 16 millimetres. The province needs intense and continuous rainfall following the months of dryness (figure 1).

- The long-term weather forecasts show prospects of light showers varying between 16 and 25 millimetres over the central and northeastern parts of the country in the week of 01 May 2018, with the part of the Eastern, Western and Northern Cape provinces set to remain cool and dry over the observed period (figure 2).

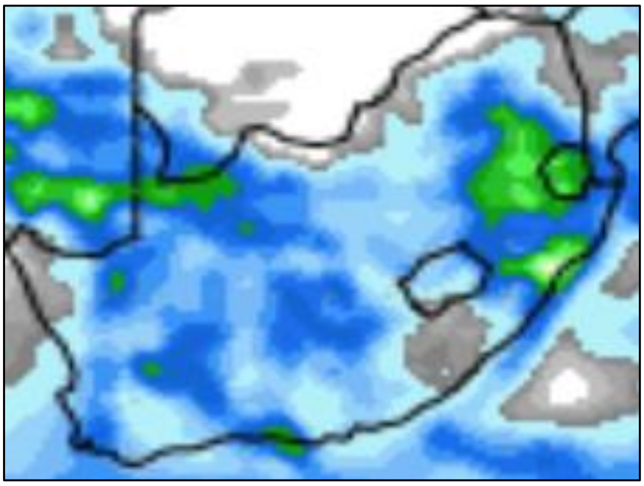

Figure 1: Next 8-days precipitation forecast
Source: wxmaps

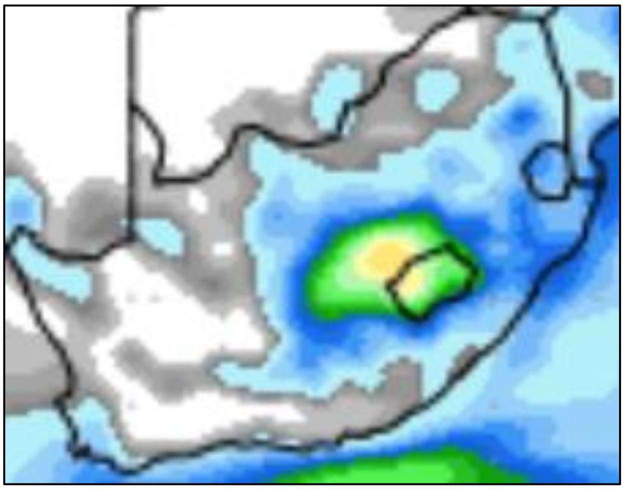

Figure 2: Next 16-days precipitation forecast
Source: wxmaps

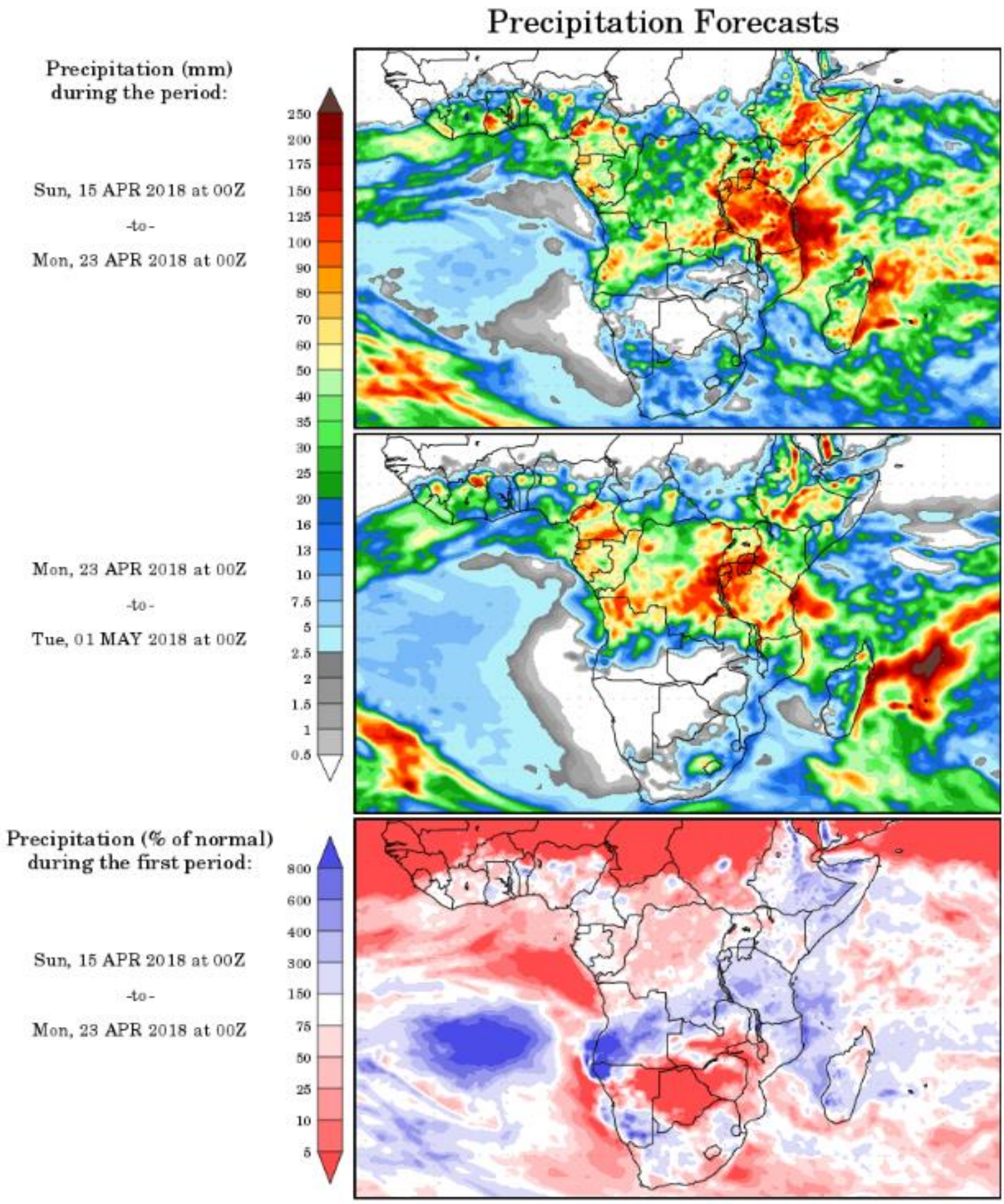

Figure 3: Precipitation forecast
Source: wxmaps

Data Sources: *JSE, CME, Potatoes SA, Johannesburg Fresh Produce Market, Red Meat Levy, Reuters, SAGIS, USDA, International Grains Council, National Crop Estimate Committee, South African Weather Services, Sunseedman and wxmaps.*

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