

CORN Market

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maiz'EUROPE

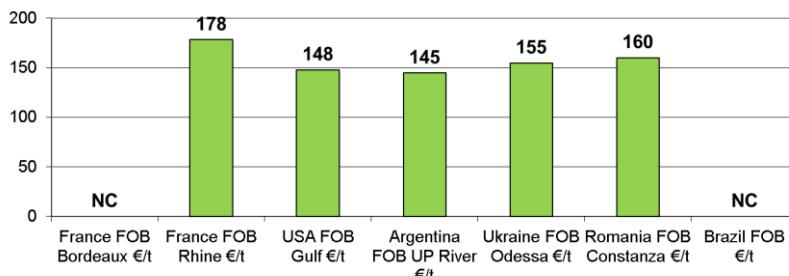
Lettre économique hebdomadaire de la Confédération Européenne de la Production de Maïs

Week 24/2017

N°81

Indicators

FOB price on 09/06/2017 in €/t- April delivery (2016 harvest)



	On 09/06	On 02/06
Parity €/\$	1.12	1.12
Petrol \$/barrel (NY)	46	47
FOB Bordeaux* (€/t)	NC	167
FOB Rhine* (€/t)	178	178

* FOB prices Bordeaux/Rhine take into account monthly increase and correspond to the 2016 crop year.

WORLD: CHICAGO PRICES RISING

The USDA has published its new projections for June. As for the 2017/2018 crop year, world production is estimated at 1032 Mt (-35 Mt compared to the previous period) while consumption is at 1055 Mt (+21 Mt vs. 2016/17). These projections, though likely to change by the end of the period, would lead to a potential 30 Mt decline in world stocks. Of this total, 20 Mt is attributed to China.

During the 2016/17 crop year, Brazilian production rose (+1 Mt compared to last month) to 97 Mt according to the USDA, due to a wetter than normal May which increased the harvest potential. CONAB estimates total production at 94 Mt, of which more than 63 Mt was produced just by the second safrinha harvest. Finally, the USDA has left the US 2017/18 balance sheet unchanged. The operators are waiting for the 30 June report, which –following the end of sowing– will permit for an update of the 2017/18 US maize acreage.

Meanwhile, harvests are advancing at a crawl in Argentina, with 42% of acreages harvested by 8 June, representing an increase of 3.7 points this week. The Bolsa de Cereales maintains its production estimate at 39 Mt, despite higher than expected yields in some regions.

As of June 4, sowing had increased to 96% in the US, in line with the average pace over the past years. 68% of acreages are subject to good to very good growing conditions, vs. 75% at the same time last year. As for demand, US exports are down to 350 Kt this week, as is weekly ethanol production, which has dropped below 1 million barrels per day. On a positive note, ethanol stocks are also down.

The “weather market” is raising prices this week: fears over US weather conditions have resulted in an increase in prices of more than \$ 5/t in a week. Maize was thus priced at 152.6 \$/t on 9 June on July maturity, representing the highest prices for more than 3 months. US FOB prices are also rising and there is a net buyback this week.

EUROPE: EURONEXT RISING, IN THE WAKE OF CHICAGO

In the EU, cumulative imports up to June 6th amounted to 11.3 Mt (+200 Kt this week), compared with 12.9 Mt at the same time last year. The USDA has revised EU production down for 2017/18 compared to last month, due to the decline in acreages in France and Germany.

In the wake of Chicago, Euronext increased by € 5/t this week on August maturity.

Russian and Ukrainian exports are at a good pace, even very good in the case of Ukraine, which still managed to export 2 Mt over May. Sowing is completed in Ukraine and the official estimates indicate increasing acreages compared to last year (+0.1 Mha). Sowing conditions are generally satisfactory, but the lack of precipitation in certain regions is to be monitored closely.

To be monitored:

- US weather
- Water situation
- South American harvests

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