

CORN Market

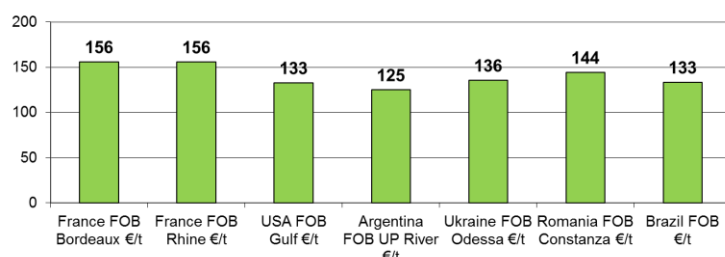


Weekly economic newsletter of the European Confederation of Maize Production

Week 37/2017
Indicators

N°91

FOB price 08/09/2017 in €/t - October delivery (2017 crop)



	08/09	01/09
Parity €/ \$	1.21	1.19
Petrol \$/barrel (NY)	47.5	47.3
FOB Bordeaux* (€/t)	156	159
FOB Rhine* (€/t)	156	154

* Price FOB Bordeaux/Rhine including **monthly increase**

WORLD: HIGH SALES OF FUNDS

The export season has started strongly in Brazil with 5.3 Mt of exports in August 2017, a volume more than twice that exported in August 2016.

While only 3% of the acreage has yet to be harvested in Argentina, the Bolsa de Cereales is maintaining its production estimates at 39 Mt and assesses a national average yield of 8 t / ha.

The USDA is downgrading its crop evaluation, with 61% of the acreage considered good to very good, compared to 62% last week. Moreover, development delays have been noted with only 12% of the areas maturing as of 3 September, compared to an average of 18% on this date.

The US closed the 2016/17 export year on 31 August, with a total of 55.4 Mt exported, vs. 46.7 Mt last year, representing a 19% increase in exports compared to 2015/16. Weekly export sales in 2017/18 are high in the US this week, but are not sufficient to bring the total sales of the new export season up to last year's level (-41%). With a production of 1.06 M barrels per day, ethanol production is still close to season records, while stocks are down.

To elaborate, even if the demand for ethanol and the late maturity of crops are supporting the market, this is not enough to drive CBOT up, which remains relatively stable from one week to another, at around \$ 140 / t for the December deadline. Fund sales increased strongly this week, with only a few days to go before the release of the new USDA report.

EUROPE: EURO STILL ON THE RISE

Parity continues its rise, again exceeding the € 1.20 / \$ this week. There is demand from northern Europe, but imported maize remain competitive in this market despite the introduction of tariffs. It should also be noted that imports into the EU were very low in the week ending on 5 September. Imports in 2017/18 have since 1 July mainly come from Ukraine (38%) and Brazil (33%), illustrating the competition between Ukraine and South America on the EU market. Euronext is losing € 1.5 / t from one week to the next.

Despite localized showers in Ukrainian maize production areas during the summer, conditions remain generally dry in the country. The amount of harvested acreage in Ukraine is estimated at 1%, while it is estimated at 2% in Russia. The pace of work is expected to pick up in the coming weeks in Ukraine, given the favourable weather conditions ahead.

To be monitored:

- *USDA report 12 September*
- *Development of funds*
- *Developments €/ \$*

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