

# CORN Market



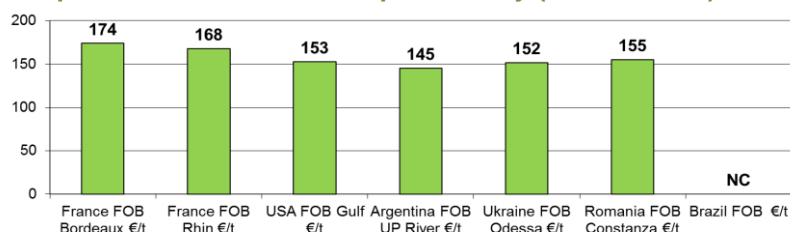
Weekly economic newsletter of the European Confederation of Maize Production

Week 12/2019

N°162

## Indicators

FOB price 15/03/2019 in €/t – April delivery (2018 harvest)



	15/03	08/03
Parity €/ \$	1.13	1.12
Petrol \$/barrel (NY)	58,5	56
FOB Bordeaux* (€/t)	174	173
FOB Rhine* (€/t)	168	167

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: funds strengthen their selling positions

Growing conditions are still good for second-crop maize in Brazil, as first-crop maize harvests are still ongoing (around 60%). In Argentina, the first harvests confirm excellent yields for maize sown early. Growing conditions for maize sown at later dates are also good. They are estimated to be good to excellent for 50% of the acreage, according to BAGE.

In the US, weekly export sales are very low this week, with 370 kt. To compare, last year at the same date they were over 2 Mt. Ethanol production uses in the US are decreasing, but stock are losing 2% compared to last week.

In the US, we have to note the cold and wet weather have delayed sowing. The return of more adapted weather conditions and the progress of sowing will be significant elements, but it is still early to describe this situation as concerning.

Funds were still significantly selling for all product categories. For maize, the net selling position of funds reached a new record with 258,000 lots! This position can create significant movements on prices in the event of weather issues, at a period of the year when weather forecasts are closely monitored as the sowing season is approaching.

In spite of this, American markets closed the week increasing, mainly due to wheat prices.

## EUROPE: 15 Mt exported from Ukraine

While exports are still ongoing in Ukraine, operators already expect an increase in the domestic maize acreage of +2%. Between 1<sup>st</sup> October 2018 and 1<sup>st</sup> March 2019, the country exported close to 15 Mt maize, which is already 6 Mt more than last year.

The European Union plays a significant role in this strong increase, as it has imported twice as much Ukrainian maize as last year on the same date. According to the Commission, cumulated EU imports (all origins) since 1<sup>st</sup> July have reached 17 Mt, which is 40% higher than last year.

Euronext maize prices are slowly recovering. The rate for the June 2019 deadline is €170.5/t. According to Stratégie Grain, despite the decrease in European prices, the competitiveness ratio in the EU still benefits Black Sea origins. South-American origins should then overtake them over the summer, once harvests have taken place.

### To be monitored:

- US-China talks
- South American weather
- EU imports