

# CORN Market



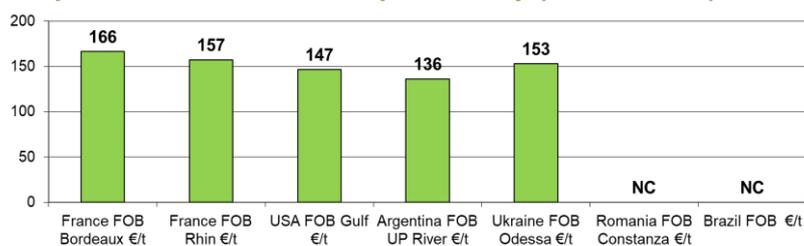
Weekly economic newsletter of the European Confederation of Maize Production

Week 18/2019

N°168

## Indicators

### FOB price 26/04/2019 in €/t – April delivery (2018 harvest)



	26/04	19/04
Parity €/€	1,11	1.13
Petrol \$/barrel (NY)	63,3	65,7
FOB Bordeaux*(€/t)	166	167
FOB Rhine* (€/t)	157	156

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : prices still going down in Chicago

Chicago maize prices were down again last week despite Friday's rebound. Only the current unfavourable weather conditions on the Corn Belt are likely to dampen the eagerness of financial operators who remain bearish, as evidenced by the increase week after week of their short positions in Chicago. According to the CFTC, short positions in non-commercial funds increased by another 15,000 lots to reach 322,000 lots on 26 April. There are however some worries on the US sowings with some snow late last week and weather forecast still unfavorable for this week. We will monitor tonight the progress of US sowings (as a reminder, only 6% on 21 April). But for now, the market is guided by the following factors: the level of stocks, the record-high South American harvest, the continuation of the China-US conflict, and the development of swine fever in China.

CIC released its April market estimates last week. Unsurprisingly, this update confirms the 2018/2019 South American outlook with a rise in Brazilian forecasts (2 Mt increase to reach 95.5 Mt, up 18% from the previous crop year) and Argentina (2 Mt increase to reach 55 Mt total). The latest estimate leads to a 2018/2019 stock down to 311 Mt vs 338 Mt last year. For 2019/2020, by integrating the available pieces of information, particularly for the northern hemisphere, the CIC shows a further drop in stocks, mainly due to China, whose stock is expected to fall by 27 Mt at the end of the next crop year.

Safrinha harvests in Brazil are expected 2-3 weeks early in Mato Grosso. There will therefore be pressure on international prices as early as June.

Finally, in Canada, corn acreage is up 4.6% at 1.53 Mha. As a reminder, Canada is this year the 3rd largest corn supplier to the EU!

## EUROPE: acreages up 4.8% according to the Commission

Last week, the European Commission confirmed its corn acreage estimates for 2019, up 4.8% to 8.7 Mha. This estimate seems overstated, given that in our opinion the increase of acreage should be closer to 2% (and 8.45 Mha).

At the same time, the Commission recorded an increase in imports reaching 21.5 Mt for the current crop year and an end-of-crop year stock up by 5 Mt!

For 2019/2020, the stock is only very slightly down. Imports are (thankfully!) expected to decline to 15.48 Mt, still well above the five-year average.

Imports were reported last week at 240 kt for a total of 19.3 Mt since the beginning of the crop year.

Euronext prices rose very slightly for June (+€0.5 / t to reach €166 / t) and fell on the November deadline (- € 0.75 / t to reach €170.5 / t).

### To be monitored:

- Corn Belt weather
- Brazilian harvest
- Swine flu in China