

CORN Market

CEPM
maizEUROP

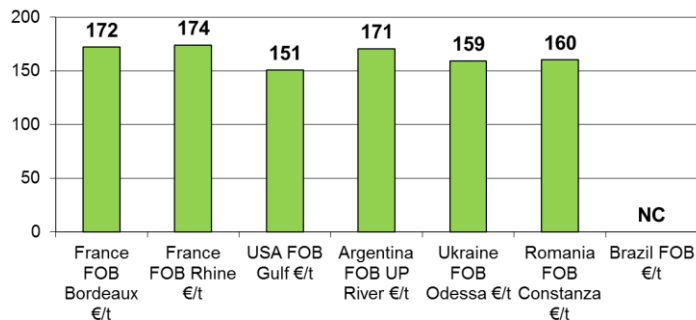
Weekly economic newsletter of the European Confederation of Maize Production

Week 01/2017

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Indicators

FOB price on 30/12/2016 in €/t - Novembre delivery (2016 crop)



	On 30/12	On 09/12
Parity €/€	1.05	1.06
Petrol \$/barrel (NY)	53.72	51.5
FOB Bordeaux*(€/t)	172	169
FOB Rhine* (€/t)	174	171

* FOB prices Bordeaux/Rhine take into account monthly increase (2016 crop)

WORLD: good progression of sowings in Argentina

The progression of sowings increases in Argentina with more than 71% of the acreages sown as of 29 December, which is about 3,5Mha. Beneficial rainfalls are recorded by the USDA in central Argentina as well as in the centre and the South of Brazil for the week of the 24th of December.

In the US, ethanol's production rate decreases slightly during the week of the 23 December, with an average of 1.028 million of barrels each day vs. 1.036 million the previous week.

The production rate stays high despite all and higher than last year this time. Same findings concerning the export sales with 959 Kt the week of the 22 December, vs. sales higher than 1.2Mt all through the rest of December. Funds strengthen their selling positions at the end of December. Exchange rates €/€ increase slightly after having flirted with the 1.04 these last two weeks. Despite this situation, American maize remains highly competitive at the international level, with a Fob price Gulf of Mexico around 159\$/t. Finally, prices in Chicago rebound slightly after hitting its lowest level before Christmas.

EUROPE: export competition for the Black Sea Countries

In the Black Sea basin, production was good during this crop year. Ukraine and Russia, despite delayed harvest have higher outputs than last year. Hungary, with a record output of 9Mt, produces this year more than Romania. The exports forecasted for the 2016/17 crop are thus important. Therefore, even before the arrival on the market of southern hemisphere maize, the level of export competition turns out to be high between the USA and Black Sea countries.

Ukraine, despite disadvantageous logistical challenges, has exported 3,6 Mt between September and November 2016, which is almost 10% higher than this time last year.

On Euronext, a slight increase is noticed since the beginning of December, maize reaches at the end of the week 166€/t on January 2017 maturity

To be monitored:

- Growing conditions in South America
- Black Sea exports
- Ethanol and US exports

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