

CORN Market



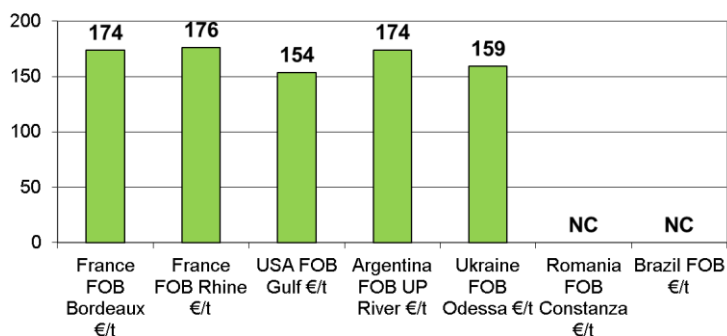
Weekly economic newsletter of the European Confederation of Maize Production

Week 02/2017

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Indicators

FOB price on 06/01/2016 in €/t – January delivery (2016 crop)



	On 06/01	On 30/12
Parity €/€	1.06	1.05
Petrol \$/barrel (NY)	53.99	53.72
FOB Bordeaux*(€/t)	174	172
FOB Rhine* (€/t)	176	174

* Prix FOB Bordeaux/Rhin majorations mensuelles incluses (récolte 2016)

WORLD: STEADY PRODUCTION OF US ETHANOL

Sowing progress continues in Argentina where 83% of the acreage has been sown, which is more than 4 Mha. The Bolsa de Cereales has been reporting storms of varying intensity during the past few weeks. Soil moisture has allowed sowing to resume in the centre of the country. However, some northern regions are reporting an excess of water. According to the Bolsa, hail has fallen on some of them, damaging the earliest crops. On the other hand, water is scarce in the southern part of the Buenos Aires province, and the rain is not enough to counter the droughts endured by the region. Weather conditions will be followed closely by the market.

During the last week of December, the USDA noted generally favourable conditions for the main maize crops in South Brazil. Nevertheless, a shortage of water has also been noted in the centre of the country.

In the US, export sales are declining sharply for the last week of December (-55% compared to the previous week), but nonetheless remain much higher than those from the previous crop year on the same date. The rate of export sales for this new crop year on the whole remains very significant compared to 2015/2016. For ethanol, the latest weekly production figures are reaching a record level of 1.043 M barrels/day. Stocks are inferior to those of 2015, which is evidence that demand (internal + exports) is increasing.

The market is expecting the publication of the USDA report this Thursday, and of the quarterly one on grain stocks.. In view of the export sales rate, as well as ethanol production levels, some operators are waiting for some adjustments in the US report.

The trend is upwards on CBOT since late December and is supported by high US demand, and possibly by some concerns regarding South American maize as well. Net positions remain selling, but speculators made a few redemptions in early January.

EUROPE: 60 MT OF EU PRODUCTION FOR THE 2016/17 CROP YEAR

The Commission has revised the EU's average yield for December at 7.1 t/ha, a long-awaited mark of progress compared to last year. Despite the decrease in maize acreage for this crop year, the yield level allows for a production volume slightly higher than the one for 2015/16 (more than 60 Mt vs. 59 Mt last year).

As of 3 January, EU import volumes amount to 5 Mt. They are lower than those of the previous year on the same date. Prices are being strengthened on Euronext.

In the Black Sea region, physical transactions are decreasing and port activity is moving at a sluggish pace during this Orthodox festive period.

To be monitored:

- South American weather
- USDA report of 12 January

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