

# CORN Market

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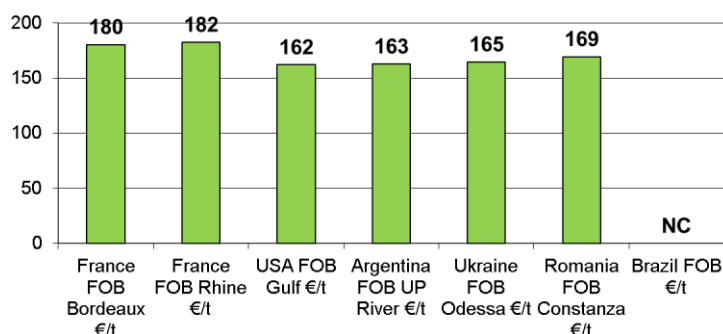
Weekly economic newsletter of the European Confederation of Maize Production

Week 10/2017

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## Indicators

FOB price on 03/03/2017 in €/t – February delivery (2016 crop)



	On 03/03	On 24/02
Parity €/ \$	1.06	1.06
Petrol \$/barrel (NY)	53.3	54
FOB Bordeaux* (€/t)	180	177
FOB Rhine* (€/t)	182	180

\* FOB prices Bordeaux/Rhine take into account monthly increase and correspond to the 2016 crop year.

## WORLD: A RUMOUR BRINGS VOLATILITY TO THE CHICAGO MARKET

The Argentinian report from the Bolsa de Cereales is positive for the country's maize. Indeed, the first harvests' yields are above expectations, and conditions are favourable for the later maize varieties. It should be noted that Argentinian FOB prices are increasingly close to US FOB prices.

According to the USDA, Safrinha maize in the Brazilian Mato Grosso are maintaining their lead compared to 2016. Indeed, they were 79% sown on 24 February, vs. 65% last year on the same date.

US demand is following the same pattern as last week. Weekly export sales (692 Kt) are slightly below market expectations. Ethanol production, whose rate has slowed down during the past 3 weeks, is the same as that of last week at 1.034 M barrels per day. Stocks continue to increase for the 8<sup>th</sup> week in a row (+2% compared to last week), therefore moving closer to the seasonal peak. In parallel, Chinese ethanol imports show a 98% decrease between the months of December and January, following a significant increase in import duties on this product (reminder: 30% in 2017 vs. 5% before).

A rumour regarding the issuance of a government decree setting ethanol incorporation obligations for fuel, gave support to the market midweek. However, this information was quickly debunked, with a price decrease noted on Friday.

The Chicago market is rating at \$150/t (May delivery). A slight decrease in net buying positions is being monitored this week.

## EUROPE: EU IMPORTS STILL DECREASING COMPARED TO LAST YEAR

Euronext, following the CBOT trend, began the week with a slight increase on the June delivery, at €177/t. EU imports have reached 7.3 Mt since the beginning of the crop year, which is still below the 9.4 Mt level at the same time last year. While the Commission is predicting an increase in imports compared to last year, markets remain cautious.

In Ukraine, UkrAgroConsult is reporting a 44% increase in maize stocks as of 1<sup>st</sup> February compared to last year, demonstrating the increase in national production. Ukrainian exports from September to January amount to more than 8.5 Mt, compared to 7.4 Mt last year over the same period.

To be monitored:

- USDA report on Thursday 9<sup>th</sup> March
- Ethanol stocks
- South American weather

EUROPEAN CONFEDERATION OF MAIZE PRODUCTION

23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44  
Square de Meeûs 21 - 1050 Bruxelles • Tél. +32 2 230 38 68