

CORN Market

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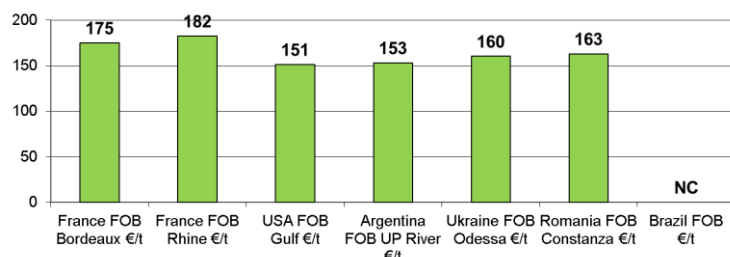
Weekly economic newsletter of the European Confederation of Maize Production

Week 12/2017

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Indicators

FOB price on 17/03/2017 in €/t – March delivery (2016 crop)



	On 17/03	On 10/03
Parity €/€	1.07	1.06
Petrol \$/barrel (NY)	48.8	53.3
FOB Bordeaux* (€/t)	175	175
FOB Rhine* (€/t)	182	183

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

WORLD : US DEMAND POSITIVE FOR THE MARKET

Conditions remain favourable in South America, with the USDA reporting that sowings for the second harvest have been completed in the Brazilian state of Mato Grosso. In Argentina, despite maize acreage having shot up compared to 2015/2016, the Bolsa de Cereales recorded harvests achieved at 10%. This is a significantly higher increase than that recorded from 2016 on the same date. Despite recording initially higher yields than predicted, for now the exchange's estimations remain fixed at 37 Mt.

US demand figures are positive this week. Market prices and the weakened dollar are likely the cause behind the 1.25 Mt increase in weekly US exports. Despite the decreasing tendency for ethanol lately, production is up this week at an average of 1,045 M barrels per day compared to 1,022 last week. Ethanol stocks fell slightly. The US Grains Council reported a purchase of 195 Kt of American maize made by China, despite its government's wider policy of cutting grain stocks. This purchase suggests that at least a certain proportion of Chinese stocks will not be of optimal quality. Notwithstanding a highly favourable context for South American maize, demand this week supports CBOT prices, which have recovered gradually from the start of last week. The latest CFTC figures, which reports the position of the funds as of 14 March, clearly illustrate the negative impact on the market from the USDA's report from 9 March. While the funds were net buyers as of January, a sudden change in positions has left them as net sellers in the market.

EUROPE : EU IMPORTS LOWER THAN EXPECTED

In the EU, import volumes remain far below 2015/2016 levels, at 7.5 Mt, vs. 10 Mt last year on the same date. According to the European Commission, over half of all imports during the current year have come from Ukraine, while both Russia and Brazil account for over 10% each.

Euronext is following the same price movements as CBOT; the market was worth 173.25 €/t (June delivery).

In Ukraine, the 100 Kha not harvested due to adverse weather conditions will primarily be diverted to the animal feed market, due largely to the proportion of damaged grain kernels. Ukraine's export pace may soon slow with the arrival of South American maize on the market.

To be monitored :

- USDA report of 31 March on US sowing intentions
- Flow of funds
- South American weather

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