

CORN Market

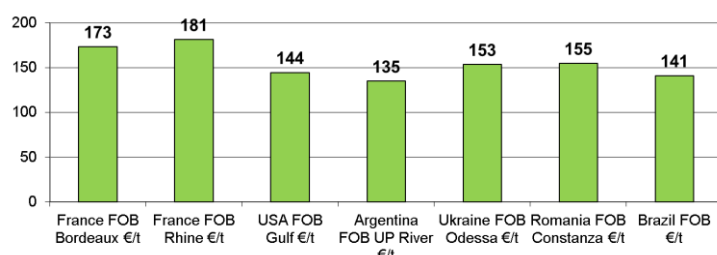
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Weekly economic newsletter of the European Confederation of Maize Production

Week 30/2017
Indicators

N°87

FOB price 21/07/2017 in €/t- July delivery (2016 crop)



	Au 21/07	Au 13/07
Parity €/ \$	1.16	1.14
Petrol \$/barrel (NY)	46	46.5
FOB Bordeaux* (€/t)	168	173
FOB Rhine* (€/t)	171	181

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

WORLD: CHICAGO PRICES STILL VOLATILE

Nearly 60% of the acreage has been harvested in Argentina, with an estimated yield of 84 q/ha (Bolsa de Cereales). The share of harvested areas is higher than last year on the same date, despite the increase in acreage for the current crop year.

In Brazil, the latest CONAB report announced higher national production figures compared to its previous estimates last month, with a total production of 96 Mt, or +2.2 Mt. This increase is due to the second safrinha harvest.

The beginning of the week in Chicago was marked by low prices, following the rapid price hike in the middle of last week. Worries were indeed sustained with the drought in the US, especially in the West and in the Corn Belt. On 16 July, the USDA estimated that 64% of acreages were good to very good, which is one point higher than last week but 12 points lower than last year. But it is mostly the quality grade of lowan crops – one of the main maize producers of the US – which worried markets, as they are 6 points lower compared to last week. It is still interesting to mention that 71% of the acreage in Iowa is still considered good to very good. Some rainfall at the end of last week re-assured markets. Weather forecasts for the week to come are predicting generally dry weather on the Corn Belt, with some rainfall.

US demand is positive this week, with a 2% increase in weekly ethanol production and higher export sales reaching a total of 465 Kt.

As of 18 July, funds are net purchasers.

EUROPE: EURONEXT DECLINING

Euronext is declining and closed at 165€/t on August maturity on 21 July (4.5€/t lower than last week), against a background of higher €/ \$ parity. The EU import rate is still high, with more than 600 Kt imported over the past week. Ukraine and Russia continue to export, mainly to Europe. The Ukrainian water shortage is still an issue.

To be monitored:

- US weather forecast
- Movement of funds
- €/ \$ exchange rate

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