

CORN Market

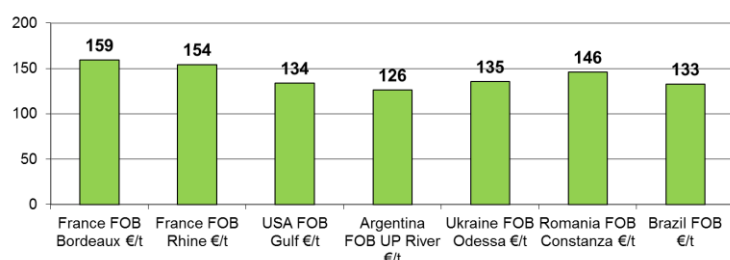
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Weekly economic newsletter of the European Confederation of Maize Production

Week 36/2017
Indicators

N°90

FOB price 01/09/2017 in €/t - October delivery (2017 crop)



	01/09	25/08
Parity €/ \$	1.19	1.18
Petrol \$/barrel (NY)	47.3	47.9
FOB Bordeaux* (€/t)	159	159
FOB Rhine* (€/t)	154	155

*FOB prices Bordeaux/Rhine take into account **monthly increase**

WORLD : REBOUND AT THE CHICAGO STOCK EXCHANGE

The Argentinian harvest progresses to 94% this week. Despite yields exceeding expectations, Bolsa de Cereales maintains its national production estimate at 39 Mt.

According to the USDA, 86% of safrinha had been harvested in the Brazilian state of Parana by 21 August. The storage problems of the new harvest and the lack of profitability are still present in the country.

Growing conditions remain stable compared to last week in the US, with the USDA estimating that 62% of the acreage is in good to very good conditions. Private analyst Informa is revising its US yield estimates slightly upwards to 10.6 t / ha, thus approaching USDA's estimate. FC Stone has also revised their yield estimates up in their report last month.

Weekly sales of US exports, which surpassed this week's expectations, steady the market with a total of 992 Kt of old and new crops. It should be noted, however, that the cumulative export of the new crop currently is considerably lower than it was at the same time last year. Despite a decrease from last week, ethanol production maintains high levels, even though stocks are also down.

After reaching a new low for the year 2017, the Chicago market rebounded at the end of last week, recovering about \$5 / t and returning to the levels that were observed last week. Given the dire conditions of the maize market, a real price rise seems difficult to envisage at this stage, and this without major climatic events.

EUROPE : AN INCREASE OF CUSTOMS DUTIES FOR EU IMPORTS

Last week was marked by a re-evaluation of customs duties. With an average CAF Rotterdam price at around €146 /t for American maize, the European Commission fixed the new duties at €10.95 /t. These duties have been in effect since 1 September.

With 310 Kt of imports last week, the cumulative imports of the EU since the beginning of July add up to 2.4 Mt, which is 0.8 Mt more than in the same period last year. Simultaneously, the euro consolidated its rate against the dollar, reinforcing the lack of competitiveness of the EU market vis-à-vis its international competitors.

Euronext remains stable compared to last week, rating € 160 / t on the November deadline.

In the end of August there were isolated showers in Ukraine. The crops are progressing in certain regions, especially in the south and east of the country.

To be monitored :

- US temperatures
- Sowing in South America
- South American exports

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