

CORN Market

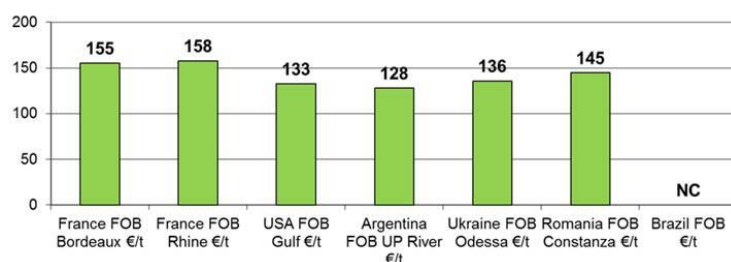
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Weekly economic newsletter of the European Confederation of Maize Production

Week 38/2017 Indicators

N°92

Price FOB on 15/09/2017 in €/t - Delivery October (harvest 2017)



	On 15/09	On 08/09
Parity €/€	1.20	1.21
Petrol \$/barrel (NY)	49.9	47.5
FOB Bordeaux*(€/t)	155	156
FOB Rhine* (€/t)	158	156

* Price FOB Bordeaux/Rhine monthly increase included.

WORLD: A DROP IN THE USDA REPORT

This week was marked by the release of the USDA September report. The latter is generally bearish concerning the corn market. Indeed, the revision of the US balance sheet indicates an increase in production compared to last month (+0.8 Mt), which, to the surprise of operators, is due to a slight re-evaluation of yields (106.6 q / ha). Human and industrial consumption, and in particular uses for ethanol, are down compared to August, which is not being counter-balanced by the projected increase in feed use. As a result, due to rising production and declining consumption, US end-of-crop-year stocks are being revised upward to 59.3 Mt (+1.6 Mt) this month.

Exports for the current crop year are estimated at 27.5 Mt in Argentina and 36 Mt in Brazil, resulting in +6 Mt and +22 Mt respectively compared to the previous season. Regarding production in South America, excessive rainfall in Argentina could, according to the US Grain Council, pose a problem for sowing.

In the US, 61% of the acreage is in good to very good condition. Domestic demand remains strong for ethanol, and US export sales reached 1 million tonnes.

Prices on the Chicago market ended the week with a slight decline, influenced by the USDA report.

EUROPE: DECREASING PRODUCTION ESTIMATES IN THE BLACK SEA AREA (USDA)

In the EU, despite a slowdown in recent weeks, cumulative imports amounted to 2.5 Mt as of 12 September, compared to 1.8 Mt at the same time last year. More than 40% of these imports are of Ukrainian origin.

The Euronext rating on maturity amounts to € 157.75 / t at the November 2017 deadline, which is slightly lower than last week.

The USDA is downgrading its Ukrainian yield numbers due to the heat and drought in August. Provisional estimates for Ukrainian, Russian and Serbian production are down -1 Mt, -0.5 Mt and -2.6 Mt respectively from last month. These decreases are reflected in Russian and Serbian export capacities. However, in Ukraine, despite lower production than last year, the export forecast is, according to USDA, estimated to increase to 22 Mt due to logistical advantages in meeting EU demand.

The Euro remains at high levels against the dollar.

To be monitored:

- Sowing in South America
- €/€ developments

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