

CORN Market



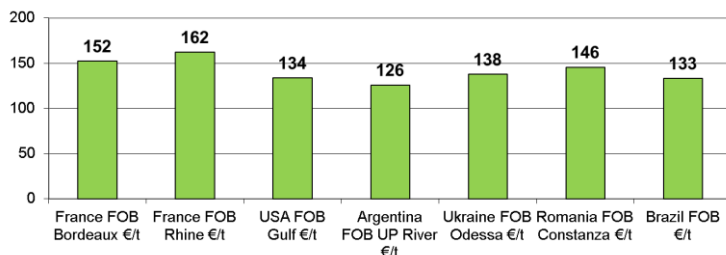
Weekly economic newsletter of the European Confederation of Maize Production

Week 42/2017

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Indicators

FOB price 13/10/2017 in €/t- November delivery (2017 crop)



	13/10	06/10
Parity €/€	1.18	1.17
Petrol \$/barrel (NY)	43.6	42.1
FOB Bordeaux*(€/t)	152	152
FOB Rhine* (€/t)	162	156

*Price Fob Bordeaux/Rhine including monthly increase.
Price Fob Rhine January- June delivery

WORLD : A RATHER NEUTRAL USDA REPORT

The USDA report for the month of October foresees a 1,039 Mt (+6 Mt) increase in global production, largely driven by Nigeria, whose data has been revised to reflect governmental figures. This increase is compensated by an equal rise in consumption, also in Nigeria but followed by China (+2 Mt), whose maize-based products exports are higher than anticipated. Global stocks at the end of the crop year have been adjusted to reach 200.1 Mt, in slight decrease compared to last month.

Argentina's exports for the ongoing crop year (2016/17) have been downgraded by USDA, due to a lower than expected pace. With only 22% of surfaces sown by 11/10, sowings are progressing slower than in 2016. Conab has published its first estimates for the new Brazilian campaign. Safra, down by 444 Kha, should be able to achieve 5 Mha, while the total acreage is evaluated at 17.1 Mha (vs 17.6 Mha last year). The 2017/18 production is assessed at 93 Mt by Conab, vs 65 Mt by the USDA. The lack of rain in Brazil remains a concern.

The USDA, despite growing conditions less favourable than in the previous years, increases its US yields assessment at 108 q/ha vs 110 q/ha in 2016/17. Domestic production figures were revised upwards and stocks at the end of the crop year remain fairly stable compared to last month. With only 22% of surfaces harvested as of 08/10, the delay compared to the 5-year average of 37% is confirmed. Weekly export sales have increased this week, whereas ethanol production is decreasing.

The Chicago market was marked by a slight increase from one week to the next (+1 \$/t), and was not impacted by the release of the USDA report. Short positions are amplified. Argentina has presented the most competitive FOB price (126 €/t), followed by Brazil and the USA respectively at 133 €/t and 134 €/t.

EUROPE: EURONEXT AT ITS LOWEST

In the EU, the past week has been marked by a downward readjustment of import customs duties, which were fixed starting from the 10/10 at 5.61 €/t, vs 10.95 €/t since the end of August. The average CAF price of maize in Rotterdam on 10 days has indeed raised and the difference with the triggering threshold of 157 €/t is currently inferior to 6 €/t. Imports continue at an elevated pace. 387 Kt were imported this week in the EU, which come mainly from Brazil. Stratégie Grains notably underlines good yields in South-East Europe, France, Germany and Poland. Results are more mixed have in Spain and Italy.

The USDA revised its estimated yields in Ukraine and Russia downwards compared to last month based on the 1st feedback on the ongoing harvest. Export capacity was de facto reduced by 0.5 Mt in each country. It is thus estimated at 21.5 Mt in Ukraine and at 5.5 Mt in Russia. Harvests in Ukraine are slower than last year.

With harvests in full swing in the EU, Euronext is hitting a low in the November 2017 deadline at 150 €/t, vs 154.25 €/t a week ago...

To be monitored:

- Brazilian weather forecast
- USA harvests

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