

CORN Market



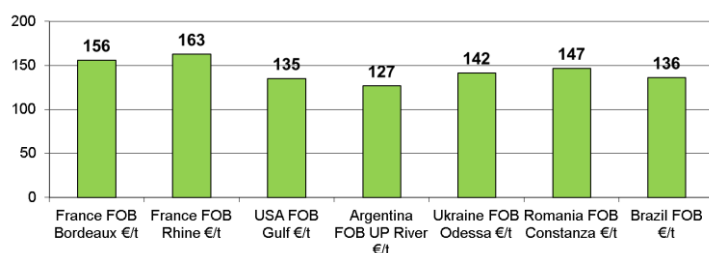
Weekly economic newsletter of the European Confederation of Maize Production

Week 45/2017

N°99

Indicators

FOB price 20/10/2017 in €/t- November delivery (2017 crop)



	03/11	27/10
Parity €/€	1.17	1.16
Petrol \$/barrel (NY)	55.6	53.9
FOB Bordeaux*(€/t)	156	156
FOB Rhine* (€/t)	163	163

*Fob price Bordeaux/Rhine including monthly increases

WORLD: HIGHER EXPORT RATE IN BRAZIL

In its latest report FAO is estimating global stocks as stable compared to the 2016/17 term. The increased stocks expected in South America and South Africa should be offset by a decrease in Asia and Europe. As a reminder, USDA is forecasting a decrease of 26 Mt compared to last year.

In Argentina, initial ratings from the Buenos Aires grain exchange are reporting good to excellent conditions for 85% of the acreages sowed in early maize.

Harvests in the US have advanced by 54%, versus the average of 72% over 5 years on the same date. Analysts from Informa and FC Stone are forecasting an increase in their US yields approaching 109 q/ha, in contrast to a current USDA estimate of nearly 108 q/ha. Will yield estimates increase once again in the next USDA report?

With a weakening Réal, Brazil's export competitiveness has grown. The country exported 5 Mt during the month of October, adding to the 11 Mt exported during the months of August and Spetember. By comparison, 6.6 Mt and 11.3 Mt were exported in 2016 and 2015 respectively between the months of August and October. This situation is affecting US exports, translating into a lower-than-expected total compared to that of last year for the beginning of the crop season.

Ethanol production in the US increased this week but so have stocks. It should be noted, moreover, that the latter are far higher compared to the stocks recorded in this period for previous years. Net seller funds increased this week in order to meet the higher levels. The CBOT, relatively stable from one week to the next, remains at lower prices.

EUROPE: INCREASE IN EU IMPORTS

Imports to the EU are progressing by 280 Kt this week. The total amount since last July has increased to 4.8 Mt, which is 72% more compared to the same date last year.

The latest data calculations of custom duties, published weekly by the European Commission, indicate import CIF prices are in slight increase, which should be linked to the decrease in the €/€ exchange rate. The latter should not, however, call into question the customs duties currently in force.

Ukraine and Russia have harvested less than two thirds of their acreages. Many observers consider Ukraine's production forecast to be optimistic. The extent to which USDA will take this view on board remains to be seen.

Euronext has lost 3 €/€ versus last week on the January 2018 deadline to stabilize at 157 €/€.

To be monitored:

- USDA Report Thursday 9th November
- Developments €/€
- Ukraine harvests

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