

CORN Market



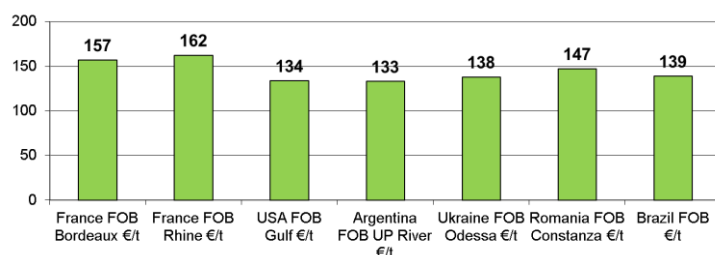
Weekly economic newsletter of the European Confederation of Maize Production

Week 49/2017

N°103

Indicators

FOB price 01/12/2017 in €/t - December delivery (2017 crop)



	01/12	24/11
Parity €/€	1.19	1.19
Petrol \$/barrel (NY)	58	59
FOB Bordeaux*(€/t)	157	157
FOB Rhine* (€/t)	162	161

*Fob price Bordeaux/Rhine including monthly increases

WORLD: UNCERTAINTIES AROUND LA NIÑA

Weather conditions remain dry in Argentina and in the south of Brazil. In Argentina, sowings are marginally progressing, reaching 38.2% of completion according to the Bolsa of Buenos Aires. The dry weather in Argentina is not helping the growth of the existing crops, among which the earlier ones are beginning to bloom. Likewise, conditions remain dry in the south of Brazil where most of the 1st harvest maize is concentrated. Over the coming weeks, market actors will certainly closely monitor the weather conditions and the possible developments of La Niña. It should be noted that this uncertainty is almost the only bullish factor in the medium-term ; to be put in parallel with large short-term availabilities and with consumption perspectives which should not hold many surprises.

In the United States, poor export performance should be noted with sales amounting to 599 Kt last week, with a 45% decline compared to the previous week.

Following a morose week, American markets ended on a positive note on Friday, "speculator" funds buying stock due to the uncertainty linked to La Niña and to the purchases of US maize by China. With the rise of South-American prices, US maize has become the most competitive maize on the Asian markets. Will this be sufficient to allow US exports to catch up?

EUROPE: THE COMMISSION REVIEWS ITS FORECASTS

The European Commission has significantly modified its provisional 2017/2018 figures in its monthly publication on 30 November. Indeed, production is now estimated at 62.2 Mt versus 58.5 Mt in October. Simultaneously, stocks at the start of the crop year (01/07) have been reassessed at 17.55 Mt versus 15.6 Mt previously. Concerning uses, a 2.5 Mt increase in animal feed usage should be noted. As a consequence, the end-of-the-crop-year stocks is now 3.1 Mt higher than last month's estimates, regaining a level comparable to that reached by the end of 2016/2017.

Imports have been increasing over the week, reaching 286 kt, for a total of 5.843 Mt which amounts to a 60% increase compared to the same date last year.

In Ukraine, rains seem to threaten the last harvests.

To be monitored:

- Argentina weather forecast
- Ukraine exports
- Developments €/€

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