

CORN Market

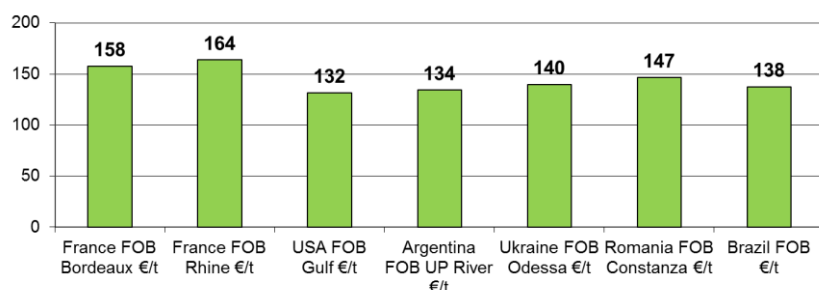


Weekly economic newsletter of the European Confederation of Maize Production

Week 51/2017
Indicators

N°105

FOB price 15/12/2017 in €/t - December delivery (2017 crop)



	15/12	8/12
Parity €/ \$	1.18	1.17
Petrol \$/barrel (NY)	57	57
FOB Bordeaux* (€/t)	158	157
FOB Rhine* (€/t)	164	163

*FOB price Bordeaux/Rhine including monthly increases.

WORLD: HEAVY BASIC TRENDS

Last week's USDA report does not question the trends that have since integrated the market. At the global level, increases in stocks compared to last month, have been observed in China (+890 Kt), in the EU (+370 Kt) and in Brazil (+300 Kt) and are compensating the decrease of stocks in the USA (-1.3 Mt).

In the United States, exports objectives are maintained at 49 Mt by the USDA, while ethanol uses have been upgraded compared to last month (+1.3 Mt) thereby impacting domestic stock figures.

Out of the total provisional Argentinian acreage of 5.4 Mha, 2.4 Mha have been sowed. Beneficial rains are expected in the coming week in the country. A particular attention will be paid to specific weather conditions taking into account the blooming of "early" maize very soon. Brazilian November exports have reached 3.5 Mt, which marks a slowdown of the export rhythm compared to the previous months. Is Brazil losing ground to the benefit of US exports?

US demand remains within expectations, with weekly export sales of 870 Kt. Despite a slight decrease compared to last week's record, ethanol production remains very high this week.

Global availabilities still weigh on the prices and only the South American weather conditions could change the deal. The CBOT lost 2 \$/t from one week to the next on the March 2018 deadline.

EUROPE: EURONEXT AT ITS LOWEST

Ukraine's exports rhythm does not seem able to take off, and remains lower than in the previous crop years.

Furthermore, with almost 1 Mt exported in September and October 2017, we can see a very strong increase in Romanian exports compared to last year on the same period.

Total EU imports since 1st July have reached 6.4 Mt, versus 4.3 Mt at the same date last year. Stratégie Grains projects an increase of intra-European exchanges compared to the 2016/2017 crop year, particularly with higher import demand in Spain, which will benefit the Romanian, French and Bulgarian exports.

Euronext is at its lowest. The market lost 3 €/t in one week, rating 151 €/t in January 2018.

To be monitored:

- South America weather forecast
- Ukrainian Exports
- Evolution €/ \$

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