

# CORN Market



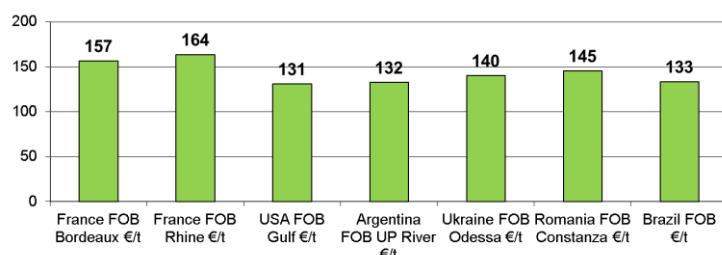
Weekly economic newsletter of the European Confederation of Maize Production

Week 03/2018

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## Indicators

FOB price 12/01/2018 in €/t- January delivery (2017 crop)



	12/01	05/01
Parity €/ \$	1.214	1.205
Petrol \$/barrel (NY)	64	61.4
FOB Bordeaux* (€/t)	157	160
FOB Rhine* (€/t)	164	166

\* Price Fob Bordeaux/Rhine including monthly increases

## WORLD : FEW CHANGES IN THE USDA REPORT

Compared to last month, few changes were registered at the global level. Production remains more or less stable, whereas consumption is decreasing (-1.6 Mt) due to a decrease in animal feed use. Global end of crop year stocks are increased at 206.5 Mt (+2.5 Mt).

In Argentina, out of a total acreage estimated at 5.4 Mha, 770 Kha still need to be sowed in the coming weeks. Despite dry conditions during the flowering of 1<sup>st</sup> harvest maize, Argentina's production forecasts are maintained at 42 Mt by the USDA. Compared to last year, a 10- to 15-day delay in the harvest of Brazilian soy has been reported, which raises questions on the ability to sow maize within schedule. CONAB however keeps its safrinha acreage forecasts unchanged at 12.109 Mha, the same level as last year and last month. USDA equally maintains its forecasts. The market will cautiously monitor the progress of sowings in the country.

Total exports in the US on 4 January are 25% lower than last year at the same date. USDA however maintains its exports forecasts at a 16% decrease compared to last year, thus expecting a recovery of exports in the second term of the crop year. US ethanol production is decreasing for the 2nd week in a row, falling below a million of barrels per day.

The market remains cautious with the Argentinian context and the impending safrinha sowings. Net selling positions of non commercial funds in Chicago, who have been getting stronger over the past few weeks, continue in this direction.

The slightest variation might therefore have significant consequences on the markets...

## EUROPE: 1.125 MT OF ZERO DUTY MAIZE FROM UKRAINE

This week is marked by a strengthening of the euro compared to the dollar, exceeding 1.21 €/\$. Meanwhile, imports in the EU reached 7.9 Mt. Out of this total, more than 4 Mt were imported from Brazil, which is 5 times higher than last year in the same period. 2.5 Mt came from Ukraine, which is as high as in 2016/17. It has to be noted that the total quota of zero duty Ukrainian maize into the EU has already been granted 2018, at 1.125 Mt. EU customs duties are still in force and with the strengthening of the euro and low prices in Chicago, they should stay this way.

The USDA report brings very few changes concerning the Black Sea countries. Compared to last month, Russian production has decreased by 500 Kt, reaching 13.5 Mt. The Ukrainian available production that can be exported is maintained at 20.5 Mt. Prices rise in Ukraine under the influence of the strong December exports.

Euronext loses 3.75 €/t on March deadline this week, notably following the strengthening of the euro compared to the dollar.

### To be monitored :

- Soy harvest in Brazil
- South American weather forecast
- Evolution €/ \$

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