

CORN Market



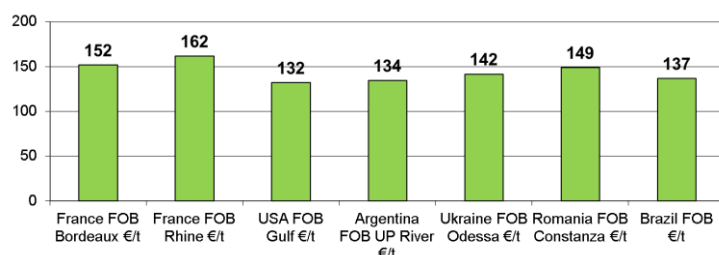
Weekly economic newsletter of the European Confederation of Maize Production

Week 05/2018

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Indicators

FOB price 26/01/2018 in €/t- January delivery (2017 harvest)



	26/01	19/01
Parity €/ \$	1.24	1.23
Petrol \$/barrel (NY)	66	63.4
FOB Bordeaux* (€/t)	152	152
FOB Rhine* (€/t)	162	161

*Fob price Bordeaux/Rhine including monthly increases.

WORLD : ARGENTINIAN PRODUCTION REVISED DOWNWARDS ?

More than 92% of maize acreages have been sowed in Argentina as of 24 January. The remaining 400 Kha are mainly located in the northern part of the country, a region which received beneficial rains in the past weeks. The dry conditions in the rest of the country remain a matter of concern for maize cultivation. Several sources reevaluated Argentina's production down by several millions tons compared to the USDA current provisional figure of 42 Mt.

12% of soy harvests in Mato Grosso in Brazil had been completed on 26 January. As a reminder, this progress, already distorted by late soy sowings, will affect the successful sowing of second harvest maize (safrinha). Concerning safrinha maize, mainly destined to internal consumption, its harvest has started in the country.

US weekly export sales are recovering after last week, with 3.3 Mt exported in two weeks. The same can be said for the weekly ethanol production, which further exceeds the 1.06 million barrels per day since last week. But it should be noted that ethanol stocks have increased by 4.6% since last week.

The Chicago market is increasing again this week, backed by the concerns about South America, the decrease of the dollar and the slight decrease of net selling positions of non commercial funds.

EUROPE: 9 MT IMPORTED INTO THE EU SINCE LAST JULY

With the momentum of global prices and importers' strengthened demand since January, export prices of Ukrainian maize have continued to progress this week as well.

The strengthening of the euro compared to the dollar continued, reaching an exchange rate of 1.24 €/ \$ at the end of last week. Since January 2017, this rate has increased by 19%, penalizing European markets. This situation, along with low US maize prices, has kept Commission figures far from the threshold triggering customs duties, at 157 €/t. Thus, the existing customs duties on maize imports are expected to continue. Imports in the EU have progressed by 600 Kt this week, reaching a total of 9.3 Mt since July, versus 6 Mt last year in the same period. The Commission is upgrading this month's EU import figures forecast (+600 Kt) at 13.6 Mt, a level similar to last year.

On this basis, and despite the increase in prices in Chicago, Euronext has lost 0.5 €/t from one week to the next on the March 2018 deadline.

To be monitored:

- Weather forecast in Argentina
- Maize sowings in Brazil
- Development €/ \$

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