

CORN Market



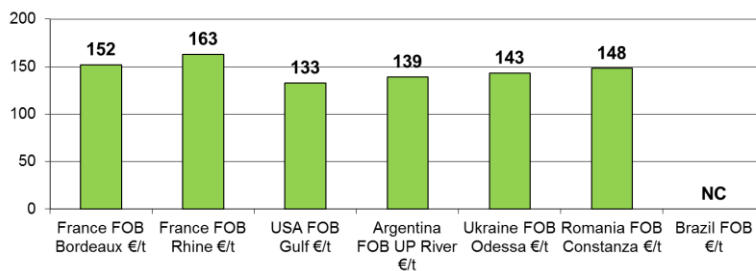
Weekly economic newsletter of the European Confederation of Maize Production

Week 06/2018

N°110

Indicators

FOB price 02/02/2018 in €/t- February delivery (2017 harvest)



	02/02	26/01
Parity €/ \$	1.25	1.24
Petrol \$/barrel (NY)	65.5	66
FOB Bordeaux* (€/t)	152	152
FOB Rhine* (€/t)	163	162

*Fob price Bordeaux/Rhine including monthly increases

WORLD : PRICES RECOVERY CONTINUES IN CHICAGO THIS WEEK

General conditions in Argentina remain warm and dry at the expense of the existing maize crops. La Bolsa de Cereales of Buenos Aires drastically reviewed its estimates on growing conditions: 39% of acreages are considered to be in good and excellent conditions on 31 January versus 11% just two weeks earlier. Likewise, 30% of acreages range from bad to very bad conditions versus 49% on 17 January. These changes do not derive from an improvement of the conditions in the country, and they raise questions regarding the reality on the ground. Few improvements are to be expected in the short term, with stable weather conditions this week.

In Brazil, sowings of second crop maize are progressing. If it continues raining in the country in these next few weeks, the soy harvests will be delayed. Will it then be possible to proceed to sowings in good conditions on the whole safrinha maize acreage?

Some analysts expect a decrease in the 2018 US maize acreage compared to 2017 to the benefit of soy, which could support the global maize market.

In the US still, the market is supported this week by good weekly export sales of 1.8 Mt. Fob prices of US maize are the lowest of the international market. Although in slight decrease compared to last week, demand is equally good for ethanol production and comes with a decrease of stocks.

This last week of January has been marked by significant re-purchase of positions from non commercial funds. Last week, the CBOT continued its increase in order to reach price levels equivalent to last November's. Boosted by growing concerns on South American weather and by a potential US acreages decrease, will the Chicago market be able to keep its momentum?

EUROPE : EURONEXT BOUND BY THE EXCHANGE RATE

The recovery of Chicago prices does not adversely impact for the moment the European market, as it is bound by a quite stable euro compared to the dollar, and to steadily increasing imports. Indeed, with 390 Kt imported this week, total exports amount to more than 9.7 Mt since last July.

Ukrainian prices continue their increase following global trends.

To be monitored :

- Argentinian weather forecast
- Maize sowings in Brazil
- Evolution €/ \$

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