

CORN Market



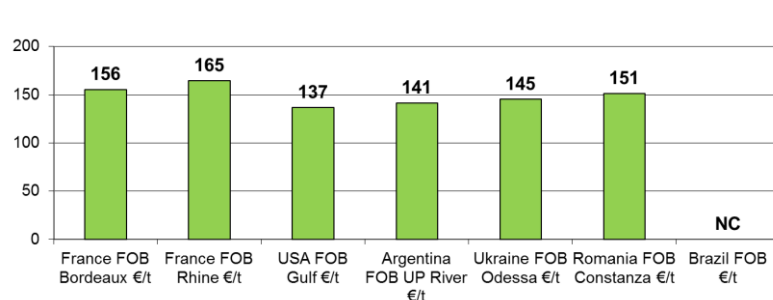
Weekly economic newsletter of the European Confederation of Maize Production

Week 08/2018

N°112

Indicators

FOB price 16/02/2018 in €/t- February delivery (2017 harvest)



	16/02	09/02
Parity €/ \$	1.25	1.23
Petrol \$/barrel (NY)	62	60
FOB Bordeaux* (€/t)	156	155
FOB Rhine* (€/t)	165	163

*Fob price Bordeaux/Rhine including monthly increases

WORLD: NEW INCREASE IN CHICAGO

The situation in Argentina is not improving, worrying markets. La Bolsa de Cereales of Buenos Aires has decreased its ratings with only 14% of Argentinian maize in good and very good conditions as of 14 February, versus 39% in the two previous weeks. Likewise, only 19% of maize acreages are in good water conditions, versus 47% previously. Despite this downgrading, the organisation maintains its production estimates at 39 Mt. Other private analysts, however, decrease their harvest volume assessments.

Rains are delaying soy harvests in the Mato Grosso. As a reminder, second harvest maize has to be sown as soon as possible in order to reach flowering prior to the dry period.

In the United States, demand is still strong. Fob prices of US maize still being very competitive, weekly exports further progress in order to reach 2 Mt. The ethanol demand is decreasing compared to last week (-4%) and stocks are likewise decreasing.

The global market is still supported by climate-related problems in Argentina, persistent doubts on Brazilian acreages and by continuing fund redemptions. Indeed, funds have massively redeemed their short positions. The latest available data communicated by the CFTC on 13/02 indicated short positions at -11,000 contracts versus almost 230,000 in January! These redemptions have accompanied the progress of US rates of the last weeks. The CBOT also ended this week with an upgrade of 2 \$/t on the March 2018 deadline.

EUROPE: €/ \$ PARITY RISES ONCE AGAIN

The rise of rates in the US has impacted the calculations of the Commission concerning EU custom duties. They are however still far from the triggering threshold, the €/ \$ parity preventing a real progress of imported commodity prices. Thus, with competitive third countries origins, imports to the EU continue to progress. According to DG AGRI, total imports since July reached 10.5 Mt. To be noted, the share of Ukrainian maize (3.9 Mt) is still increasing compared to last week, whereas the Brazilian share remains stable.

For the 2018/19 crop year, Stratégie Grains anticipates a decrease of the EU acreage at 8.5 Mha, which is - 0.1 Mha compared to last year. Acreages should notably decrease in Spain, Austria and Italy.

The rise of the euro compared to the dollar will prevent our European markets to follow the global upwards trends. Euronext has lost 1 € over the week, on the March 2018 deadline...

To be monitored :

- South American weather forecast
- Evolution €/ \$
- Commercial funds movements

EUROPEAN CONFEDERATION OF MAIZE PRODUCTION

23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44
Square de Meeûs 21 - 1050 Bruxelles • Tél. +32 2 230 38 68