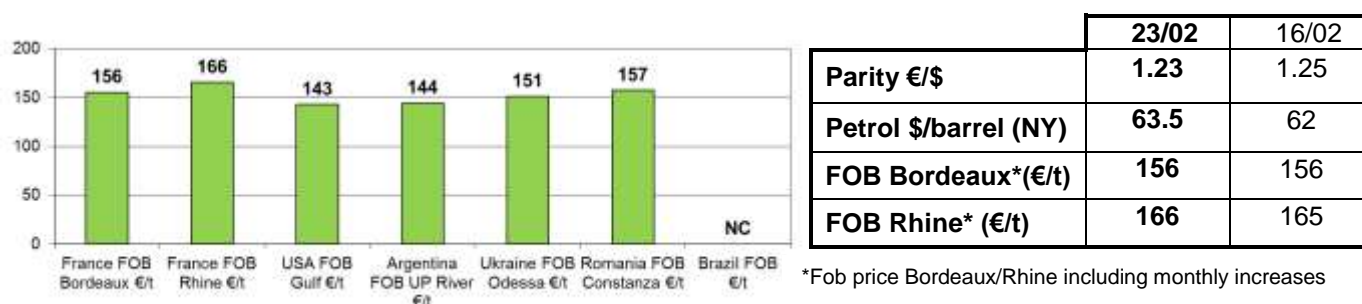


Week 09/2018

N°113

## Indicators

FOB price 23/02/2018 in €/t- February delivery (2017 harvest)



## WORLD: A POSITIVE MARKET TREND

The USDA published at the end of last week its first US acreage projections for the next crop year. Surfaces sown in maize are expected to be in slight decrease compared to 2017/18 (-0.2%). Operators were expecting a more significant decrease due to the soy/maize price ratio. These announcements should not lead to significant reactions on the markets, given that more details are expected on 31 March with the results of the planting intentions survey of American farmers.

The weather remains dry in Argentina. The first harvests confirm below-expectation yields, whereas later maize have reached the development stages which are the most important for the definition of yields, while still in water shortage conditions...The Bolsa de Cereales of Buenos Aires therefore reviewed its production forecasts at 37 Mt (-2 Mt compared to last week). The Bolsa of Commerce of Rosario, however, is announcing 35 Mt...

In Brazil, sowings are delayed, in particular in the region of Parana where the rains are delaying the harvests of soy. In the USA, demand trends remain positive like in the past weeks. Despite a decrease compared to last week, weekly US export sales remain high (1.5 Mt). Ethanol consumption is increasing compared to last week, with an average production of 1.068 million barrels per day. Ethanol stocks are slightly decreasing.

While global stocks retain their importance, the global market is still supported by a positive trend with a sustained US demand and potential downward revisions coming on the Argentinian production and the Brazilian acreage. The CBOT marks a very slight decrease this week on the March 2018 deadline. As already anticipated, non commercial funds are net buyers on 20 February, reflecting the change in trends of these last weeks.

## EUROPE : DECREASE OF THE UKRAINIAN ACREAGE IN 2018/19?

Total EU imports are reaching 10.7 Mt, with Ukrainian volumes still increasing. The average CAF prices of import of US maize in Rotterdam, which enables the triggering of customs duty on imports into the EU, continues its progressive increase to approach 154 €/t...

The CIC anticipates a 3% decrease of the Ukrainian acreage for 2018/19 (4.3 Mha), because of relatively low margins and decreasing yields in the past year. As for Russia, an increase of +5.5% is expected (2.9 Mha). The CIC confirms a significant increase of Ukrainian prices due to the high demand from Turkey, China and Ukraine, but also due to the strengthening of the Ukrainian currency.

Euronext is stable compared to last week, rating 153.25 €/t on the March 2018 deadline. The €/€ parity is in slight decrease this week.

### To be monitored :

- South American weather forecast
- Development €/€
- Northern hemisphere acreage