

# CORN Market



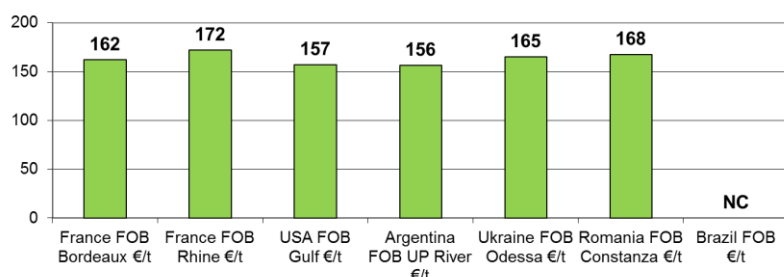
Weekly economic newsletter of the European Confederation of Maize Production

Week 11/2018

N°115

## Indicators

FOB price 09/03/2018 in €/t- March delivery (2017 harvest)



	09/03	02/03
Parity €/ \$	1.23	1.23
Petrol \$/barrel (NY)	62	61
FOB Bordeaux* (€/t)	162	161
FOB Rhine* (€/t)	172	169

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: USDA decreases 17/18 US stocks

The USDA report published in March does not contradict the worldwide results that have already been established. The latter is marked by an increase in consumption compared to last month (+4.8 Mt), leading to a decrease in worldwide stocks in the range of 4 Mt. With a total of 199 Mt, these stocks therefore represent 18.7% of annual worldwide consumption.

The Bolsa de Cereales is reviewing its rating of crop conditions in Argentina slightly downwards. 7.8% of surfaces are judged in good condition as of 7 March, vs 5.5% one week ago. A slight recovery is also being noted as regards water conditions of maize. Despite this, the organisation has confirmed the weak Argentinian maize conditions by revising its production forecast to 34 Mt, thus 5 Mt less than last year. The USDA, based on the same observations, is estimating production at 36 Mt.

In Brazil, the Conab is reviewing its estimations of safrinha surfaces downwards to 11.4 Mha, vs 12.1 Mha last year. The country's annual production would therefore be 87 Mt vs 98 Mt in 2016/17. The USDA, in spite of reduced market estimates, is forecasting higher production at 94.5 Mt.

Weekly demand in the USA remains at a good rate, for both exports and ethanol production. The USDA indeed confirms this via an increase in its export estimations to 56.5 Mt (+4.4 Mt compared to February), i.e. only 1.7 Mt less than last year. Likewise, uses of ethanol are increased to 142 Mt (+1.2 Mt compared to last month), thus bypassing uses for animal fodder.

Finally, it is in the USA that the USDA report becomes important this month, with a reverse situation: the stocks previously expected upwards compared to 2016/17 should now decline by 4 Mt compared to last year (54 Mt).

Prior to the USDA report release, non-commercial funds made large purchases, anticipating this generally positive report for maize and taking into account the current situation in South America.

The rates, driven by the current climate and redemption of funds, have continued to increase in Chicago, taking 2\$/t this week on the May 2018 deadline.

## EUROPE : slight increase on Euronext

Ukraine exported less than 10 Mt between July 2017 and February 2018, representing accumulation total approximately 1.5 Mt lower than last year on the same date. Prices are still increasing in the country, boosted by the world economy and by European demand. The USDA is reviewing EU-28 production upwards compared to last month (+1 Mt), taking into account increases in France and Germany. Global production is thus estimated at 61 Mt, vs 65 Mt according to DG AGRI.

Euronext is slightly increasing this week, equalling 163.5 €/t for the June 2018 deadline.

### To be monitored :

- Weather forecast in South America;
- Purchase of non-commercial funds;
- EU imports

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