

# CORN Market



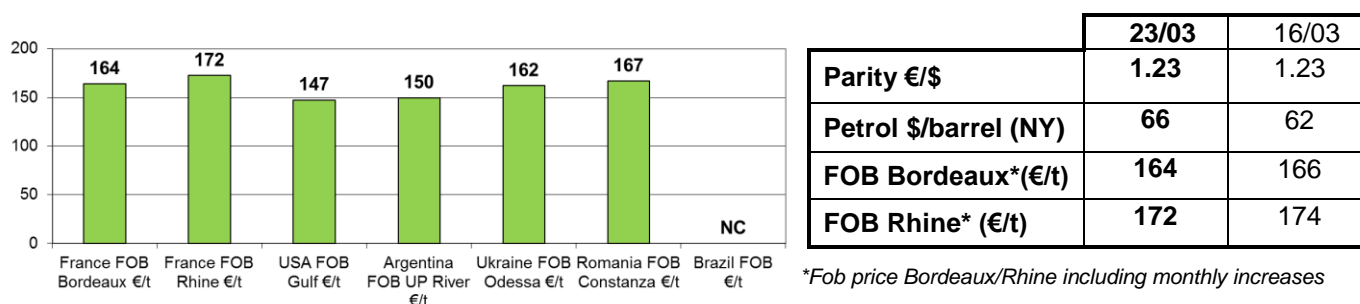
Weekly economic newsletter of the European Confederation of Maize Production

Week 13/2018

N°117

## Indicators

FOB price 23/03/2018 in €/t - March delivery (2017 harvest)



\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: new decrease in stocks in 2018/19?

While it is still too early to project ourselves in the new crop year, we can note that the CIC forecasts for 2018/19 world stocks was decreased by 14% compared to the ongoing crop year, mainly due to an increase in consumption.

In Argentina, the Bolsa de Cereales of Buenos Aires signals the arrival of rains on a portion of the agricultural area, slightly relieving crops but not changing the country's global water deficit situation. As of 21 March, 13% of maize acreages had been harvested, with various yield levels. On these basis, the organisation once again reviews its harvest estimates downwards to 32 Mt.

In Brazil, safrinha sowing have been completed in Mato grosso, on an acreage more than 5% lower than last year, according to Imea. Sowing will soon end in the State of Parana, which is the second maize producer for the safrinha harvest.

The resumed increase of ethanol production in the USA supports the market to some extent, whereas stocks are decreasing. Total US maize exports are close to last year's figures on the same date, thanks to good sales early in the year. Operators now wait for the 29 March USDA report on the planting intentions in the USA. As a reminder, the first USDA estimations announced a slight decrease in maize acreages compared to last year. Nevertheless, as certain private analysts expect more significant drops, what will the survey results of this Thursday reveal ?

We can observe this week a slight decline of the net purchasing positions of non-commercial funds in Chicago. The CBOT lose approximately 2\$/t compared to last week.

## EUROPE : decrease in prices for Ukrainian origins

Imports, notably of Ukrainian origin, are up this week in the EU. The Commission reviewed its imports estimates for the ongoing crop year to 15 Mt, i.e. 500 Kt more than last month and 1.4 Mt more than last year. The first estimates for the 2018/19 crop year suggest a 1 Mt decrease of end-of-year stocks, driven by an increase in uses and in exports as well as a decrease in imports compared to 2017/18.

Ukrainian prices, recently boosted by the global economy and by export demand, lost approximately 10\$/t this week. This thus heralds a renewed competitiveness of this origin on the export markets, and notably on the European markets.

Euronext loses more than 2 €/t compared to last week for the June deadline.

### To be monitored :

- USA's sowing intentions
- EU imports
- Development of Ukrainian prices

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