

CORN Market



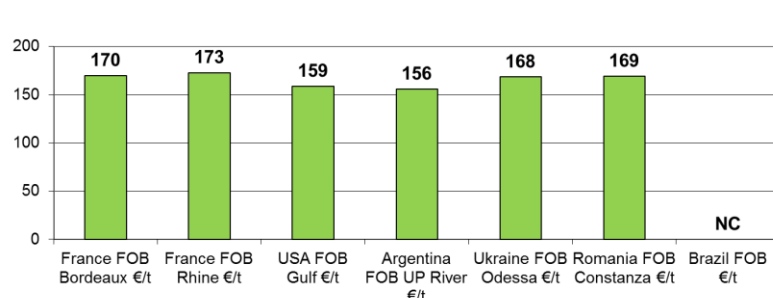
Weekly economic newsletter of the European Confederation of Maize Production

Week 15/2018

N°119

Indicators

FOB price 06/04/2018 in €/t - April delivery (2017 harvest)



	06/04	30/03
Parity €/ \$	1.22	1.23
Petrol \$/barrel (NY)	62	63
FOB Bordeaux* (€/t)	170	167
FOB Rhine* (€/t)	173	172

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Political tensions on the market

The FAO, in its April publication, reviews the 2017/18 production, uses and global exchanges figures slightly upwards compared to last month. The end of crop year global stocks are estimated at 247 Mt, which would represent an increase of over 6 Mt compared to the previous crop year. In comparison, USDA and CIC expect a decrease in stocks compared to last year of respectively -14% and -8.6%.

Harvests progress in Argentina, reaching 22% of maize acreages. The Bolsa de Cereales of Buenos Aires announces low yields, suggesting possible evolutions of production estimates. So far, production estimates are at 32 Mt.

Following their usual trend, Brazilian exports continue to decrease, with 600 Kt exported in March VS 1.25 Mt in February. Safrinha sowings are completed in the country and cultivation conditions are good for the moment, notably in the State of Mato Grosso.

In the United States, weather conditions are becoming more significant with the sowing period approaching. The FAO actually reports that the first sowings have begun in the south of the country, in good conditions. The weekly demand for ethanol production in the US remains stable compared to last week and export sales, at 900 Kt, are decreasing. However it is to be noted that total sales and exports since the beginning of the crop year are very close to last year at the same date, despite the decrease of production this year.

Operators will carefully monitor the announcements and political exchanges between China and the USA. Chinese threats regarding the implementation of import taxes, notably on maize, but first and foremost on soy, could disrupt market balances. Attention will be focused this week on the release of the USDA report, in which the South-American production estimates will be closely monitored. The Chicago market is up this week for the 2018 May deadline, whereas commercial funds are still in long positions.

EUROPE : imports not decreasing in the EU

At 1.22€/ \$, the euro is down this week against the dollar, letting European goods regain some competitiveness. The EU imports rhythm does not decrease, and total imports from 1st July to the 3 April are already higher than the total imports of the 2016/17 crop year ...

Euronext is up by 3 €/t for the 2018 June deadline.

To be monitored :

- USDA report on 10 April
- Northern hemisphere weather conditions
- EU imports

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