CORN Market

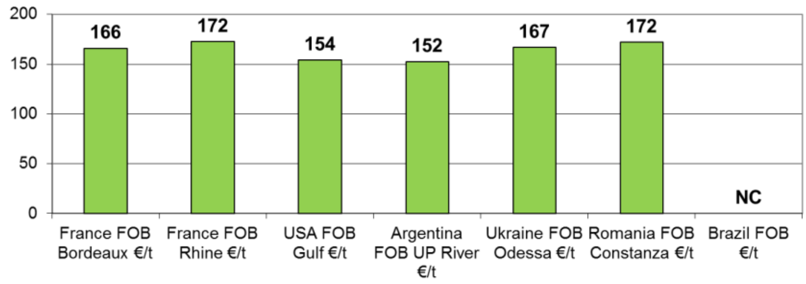
Weekly economic newsletter of the European Confederation of Maize Production

CEPM maiz'EUROP'

Week 17/2018 **N°121**

Indicators

FOB price 20/04/2018 in €/t - April delivery (2017 harvest)



	20/04	13/04
Parity €/$	**1.23**	1.23
Petrol $/barrel (NY)	**68.4**	67.5
FOB Bordeaux*(€/t)	**166**	168
FOB Rhine* (€/t)	**172**	173

**Fob price Bordeaux/Rhine including monthly increases*

WORLD: dwindling Chicago market

In its 2018/19 report,Stratégie Grains announces a 21 Mt increase in global harvest, as compared to the previous crop year.
This increase would principally be driven by Argentina, China, Brazil and Ukraine. Taking into account that consumption is also expected to increase and to exceed the estimated production, stocks should decrease by more than 14 Mt, including 8 Mt for China alone.
As of 17 April, the USDA noted beneficial rains for second-crop maize in production areas of northern Brazil. However, more to the South, water shortages could affect maize in this sensitive period. Weather trends will therefore be closely monitored for the coming weeks.
30% of acreages have been harvested in Argentina according to the Bolsa de Cereales of Buenos Aires, with disappointing yields. The organisation is still maintaining its estimated annual production figures at 32 Mt.
In the USA, sowings have been slowly progressing, with 3 % of acreages sown on 15 April, versus 5% on average at this date. Some rains are expected this week in the Corn Belt. At this stage, sowings delays are not concerning yet.
Regarding demand in the US, weekly export sales are on the rise this week, exceeding a million tonnes again. Ethanol uses are rather neutral, with a 2.4% decrease in production compared to last week, and with stocks also decreasing for the 5th week in a row.
The Chicago market loses more than $3.5/t this week for the May and July 2018 deadlines. The net purchasing positions of funds were decreasing last week, following the publication of the relatively neutral USDA report.

EUROPE : stable to decreasing acreages for 2018/2019

In the EU, imports, particularly from Ukraine, are still progressing. Sowings have begun in the South-West of the EU since the beginning of April according to Stratégie Grains, which expects stable acreages for the new crop year. Maize can indeed benefit from the delays of spring barley sowing, as well as an irrigation capacity recharge. We should note that seed producers expect a slight decrease of acreages.
Since last September, Ukrainian exports are mainly focused on the EU (mainly the Netherlands, Italy, Spain), Egypt and China. Sowings have begun in the country.
Euronext loses €3/t this week for the June 2018 deadline

To be monitored :
- Brazil weather forecast
- USA sowings
- EU imports

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