

# CORN Market



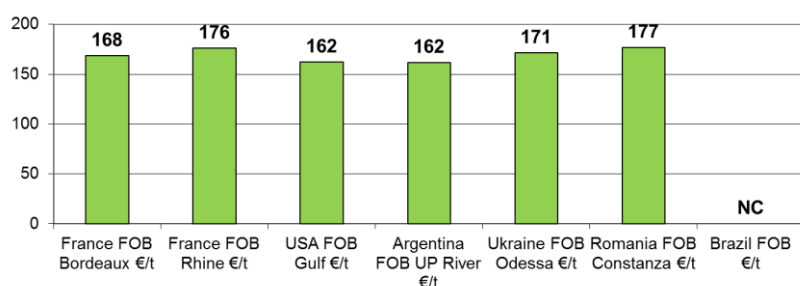
Weekly economic newsletter of the European Confederation of Maize Production

Week 19/2018

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## Indicators

FOB price 04/05/2018 in €/t - May delivery (2017 harvest)



	04/05	27/04
Parity €/€	1.20	1.21
Petrol \$/barrel (NY)	69.7	68.1
FOB Bordeaux*(€/t)	168	166
FOB Rhine* (€/t)	176	174

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: prices are rising in Chicago

FAO anticipates a decrease in global stocks by the end of crop year 2018/19 of almost 11% compared to 2017/2018, mainly driven by China and South America. This reduction is resulting in a decreasing forecasted production (decrease in sowings in the US, production down in South America), whereas consumption should continue to increase compared to last year (+0.5%).

Harvesting is progressing very smoothly in Argentina, estimated by the Bolsa de Cereales of Buenos Aires at barely a third of acreages.

As for Brazil, in view of the coming week's weather forecast, the weather should remain dry despite the water needs of corn.

In the United States of America, some rainfall is expected on the Corn Belt, which will not favour sowings progress.

Ethanol uses are also up with the production of more than a million barrels per day. However, it is to be noted that ethanol stocks are increasing by 2% from one week to the next.

Supported by the South American climate and by the lagging of sowings in the USA, the Chicago market continues to progress, improving by more than 3 \$/t for the July and September 2018 deadlines. Given this situation, and in light of the USDA report publication this Thursday, the funds were preparing to purchase in the week of May 1<sup>st</sup>.

## EUROPE : slowdown in EU imports

Total EU imports between 1<sup>st</sup> July 2017 and 1<sup>st</sup> May 2018 equal 14.3 Mt. Nevertheless, it is to be noted that this week's import volume of 115 Kt represents a significant decrease compared to the weekly average for this campaign. The decline of euro against the dollar continues, with an exchange rate of 1.20 on 4<sup>th</sup> May, vs prices which were rather fluctuating between 1.23 and 1.24 recently... enough to give another boost to European goods !

Thanks to the global economy and euro developments, prices are up on Euronext for the June and November 2018 deadlines.

In Ukraine, sowings are increasing without any particular delay compared to the average.

### To be monitored :

- USDA report on 10 May
- Brazil weather forecast
- USA sowings

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