

CORN Market



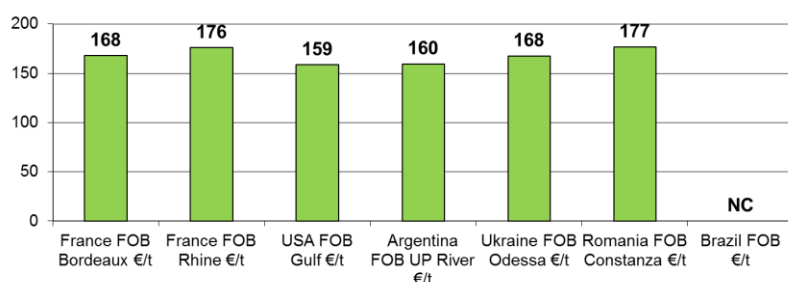
Weekly economic newsletter of the European Confederation of Maize Production

Week 20/2018

N°123

Indicators

FOB price 11/05/2018 in €/t - May delivery (2017 harvest)



	11/05	04/05
Parity €/€	1.19	1.20
Petrol \$/barrel (NY)	70.7	69.7
FOB Bordeaux*(€/t)	168	168
FOB Rhine* (€/t)	176	176

*Fob price Bordeaux/Rhine including monthly increases

WORLD: a positive USDA report?

The USDA published its first estimates for the 2018/19 crop year figures. Global production and consumption figures are expected to increase by approximately 20 Mt compared to last year. It is to be noted that production should mainly progress in China and in South American countries (2019 harvest!), and in the Black Sea countries. Consequently, a new decrease in global stocks is anticipated (-36 Mt), leading stocks to their lowest level since 2012/13. This decrease is once again largely driven by China (-19 Mt) but, in contrast to the previous crop year, it would also be driven by one of the main exporters, namely the USA (-13 Mt).

In Brazil, the water scarcity is still concerning; particularly in the southern States. While the Conab does not appear to have integrated the drought of the past weeks in its figures, it does announce a potential decrease in yields should there be no significant rainfalls soon. Some rainfall is expected in the country over the next week. In Argentina, harvests have slowly been progressing due to the abundant rainfall that has blocked progress.

Almost 40% of acreages had been sown in the US by 6 May, a bit later than the 5-year average. The momentum of US export demand is relatively low this week, with sales of 700 Kt, while ethanol production has resumed. Concerning the 2018/19 projections for the USA, production is expected to decrease by 357 Mt (-14Mt), mainly due to the acreages decrease. With a slight decrease in consumption and exports, US stocks are expected to decrease by 13 Mt to reach 43 Mt.

Finally, the USDA report's figures seem positive and the situation in Brazil raises questions. However, the market has not followed the trend, CBOT even marking a decrease compared to last week... Non commercial funds on 8 may were lengthy, on the eve of the publication of the USDA report.

EUROPE : stability for Euronext

Despite the decline of the euro against the dollar, EU imports are up this week with 470 Kt, bringing total imports to 14.8 Mt.

With the Chinese, Egyptian and European demands, the export rhythm is up in Ukraine for April. Since July, total exports from Ukraine reach 14.5 Mt, compared to 16.3 Mt last year at the same time. Regarding production, ¾ of acreages have now been sown in the country, to be compared with Russia, where more than half of sowings have been completed.

Euronext has remained stable this week.

To be monitored :

- Brazil weather forecast
- USA sowings
- EU sowings

EUROPEAN CONFEDERATION OF MAIZE PRODUCTION

23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44
Square de Meeûs 21 - 1050 Bruxelles • Tél. +32 2 230 38 68