

CORN Market



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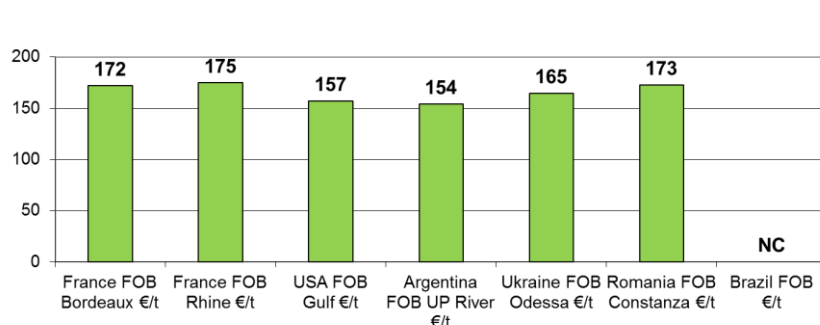
Weekly economic newsletter of the European Confederation of Maize Production

Week 23/2018

N°126

Indicators

FOB price 01/06/2018 in €/t - June delivery (2017 harvest)



	01/06	25/05
Parity €/€	1.17	1.17
Petrol \$/barrel (NY)	65.8	67.9
FOB Bordeaux* (€/t)	172	174
FOB Rhine* (€/t)	175	177

*Fob price Bordeaux/Rhine including monthly increases

WORLD: return of export duties in Argentina?

Despite rainfall, harvests are continuing in Argentina, with 37% of acreages picked as of 30 May. Argentinian farmers are concerned about the mention of implementing a 10% export tax on corn and wheat, as well as a potential halt to the decrease in export duties on soybeans. What would be the consequences of such duties for future sowings?

In Brazil, soybean transport and export activities should return to normal, following the agreement reached between the government and the strikers. However, the 12th June USDA report is expected to provide information on the extent to which will production be decreased due to the dry conditions of the on-going campaign.

In the USA, sowings are nearing the end with 92% of acreages sowed versus 90% on average. The USDA estimates that 79% of acreages are in good and even very good growing condition, which is much greater than last year's estimations at the same time (65%). Concerning US demand, weekly export sales of at least 1 Mt are bouncing back compared to last week, like ethanol production which is increasing.

The implementation of duties on steel and aluminium by the US has raised concerns about a potential trade war.

Prices are down this week in Chicago, losing almost 6 \$/t compared to last week for all deadlines.

EUROPE: 15.8 Mt imported into the EU

Imports have reached 15.8 Mt in the European Union, 45% from Ukraine, 33% from Brazil and 9% from the US. In its 2017/18 report, the Commission has announced a total import volume of 16.4 Mt, which will represent about 600 Kt imports to spread over the last 5 weeks of the campaign. However, this figure appears low in view of the recent average weekly imported volumes.

According to the CIC, prices are retreating in Ukraine compared to last month, due to global competition and timid buying interest. The lack of water in the country, still an issue, is to be monitored.

If the €/€ exchange rate seems to be stable compared to last week, its evolution remains to be carefully monitored.

Euronext, following the trend in Chicago, is down this week (-2.75 €/€). 172 €/t is rated for the November 2018 deadline.

To be monitored:

- End of sowings in the USA
- Developments in €/€

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