

# CORN Market



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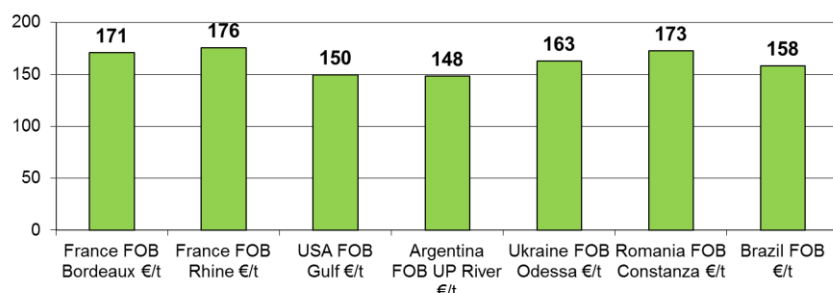
Weekly economic newsletter of the European Confederation of Maize Production

Week 24/2018

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## Indicators

FOB price 08/06/2018 in €/t - June delivery (2017 harvest)



	08/06	01/06
Parity €/€	1.18	1.17
Petrol \$/barrel (NY)	65.7	65.8
FOB Bordeaux*(€/t)	171	172
FOB Rhine* (€/t)	176	175

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: market under political pressure

40% of Argentinian acreages have been harvested, and the Bolsa de Cereales in Buenos Aires maintains its production estimates at 32 Mt. It should be noted that the Argentinian peso continues to depreciate.

Meanwhile, the very first harvests of safrinha maize have begun in the states of Mato Grosso and of Paran, in Brazil. According to Soybean and Corn Advisor, as these harvests come from the maize sown the earliest, they are expected to be better than other harvests, as the plants did not suffer from water scarcity. The main operators anticipate decreasing estimate figures from the USDA's and Conab's harvest estimates, expected this week.

In the USA, 97% of acreages have been sown, slightly ahead of the average. 78% of crops are judged to be in good to excellent growing condition by the USDA, i.e. 1% lower than last week, but 10 % higher than one year ago. Weekly export sales are decreasing while ethanol production is stable compared to last week. Ethanol stocks have increased by 3% this week.

The Chicago Market is sharply decreasing, losing \$5.5/t this week for the September deadline. It therefore approaches levels close to last February's, before the recovery in the context of climates concerns... Funds made significant sales during the week of 5<sup>th</sup> June. While the publication of the USDA report and the evolution of weather conditions in the northern hemisphere will be closely monitored this week, the aftermath and consequences of the trade war will be at the center of attention in the days ahead.

## EUROPE: 25% of custom duties on US corn

Total imports have reached 16 Mt this week, with a decreasing weekly import level compared to its usual level (150 Kt).

In response to President Trump's political choices, the European Commission approved the decision to impose additional duties on certain American products, that could enter into force as early as next July. Corn is on the list with a 25% additional duty. It should be noted that total import of US maize for this crop year reach 1.4 Mt, i.e. 9% of total EU imports.

Water shortage in Ukraine is still a matter of concerns.

Euronext is decreasing this week again (-€3 /t for the November deadline), driven by the CBOT and by the rise of the euro against the dollar.

### To be monitored:

- Political and trade decisions
- USDA report
- €/€ developments

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