

CORN Market



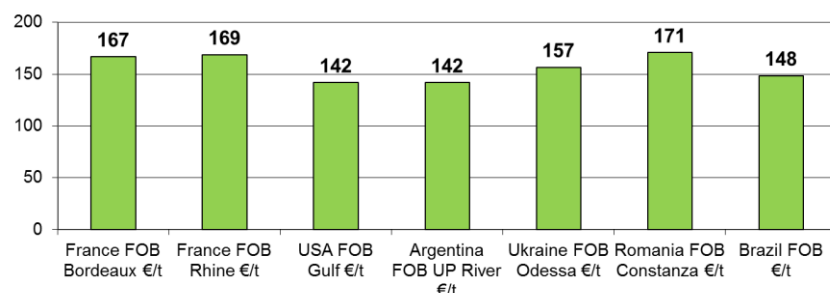
Weekly economic newsletter of the European Confederation of Maize Production

Week 27/2018

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Indicators

FOB price 29/06/2018 in €/t - July delivery (2017 harvest)



	29/06	22/06
Parity €/€	1.17	1.16
Petrol \$/barrel (NY)	74.2	68.6
FOB Bordeaux*(€/t)	167	165
FOB Rhine* (€/t)	169	171

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Chicago dropping dramatically over the past month

Soybean harvests are coming to an end in Argentina, farmers should now turn themselves towards maize harvests. They have progressed by 4 % this week, to reach 56% of acreages. Note that the Argentinian peso continued to fall last week, which automatically benefits to Argentinian goods on the international market.

In Brazil, there is controversy over the increase in transport costs, which creates logistic issues over the country. If the situation does not improve, it could cause more problems with the progress of safrinha harvest.

The USDA, in its report on US field crops acreages, estimates a maize acreage of 36 Mha in the US, which is a 1% decrease compared to the previous crop year. As a reminder, the organisation's first forecast amounted to 35.6 Mha (i.e. -2% compared to 2017), thus surprising the majority of stakeholders who expected a smaller decrease.

Concerning crop conditions, the USDA lowers its estimations by 1 % compared to last week with 77% of acreages in good and even very good conditions. Note that the 4 top producers US states are all above 80% These estimations remain well above those of last year at the same time, but operators are not focused on this topic. Indeed, trade tensions between China and the USA are not calming down, with a continuing escalation of threats. Therefore, funds are still being sold at a sustained rhythm, while the CBOT continues its drastic fall. The Chicago market has lost about \$23/t since 23 May, driven by the politic tensions, funds sales, and to a lesser extent by the good ratings of US maize and the upwards reevaluation of the country's acreages...

EUROPE: reevaluation of EU imports to 17 MT

One week before the end of the 2017/2018 crop year, DG Agri announced total EU imports of 16.9 Mt, i.e. 4.2 Mt more than last year at the same time. In spite of the fierce competition of Brazil, Ukraine managed to export 7.6 Mt to the EU, i.e. only 4% less than last year. Brazil exported 5.1 Mt to the EU (+500% compared to 2016/17), while the USA exported 1.8 Mt (+100%).

The European Commission reajusted its 2017/2018 figures with a level of imports of 17 Mt, vs 16.4 Mt last month. Stocks of end of the crop year are thus estimated at 23.5 Mt, i.e. a 6 Mt increase compared to the previous crop year.

Prices are progressing by €0.75/t on Euronext's November 2018 deadline, rating €170.25 /t.

To be monitored:

- Follow-up US/China
- Weather forecast US
- Logistics in Brazil

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