

# CORN Market



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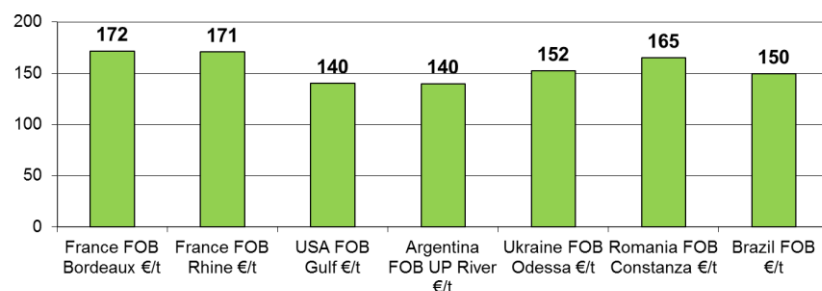
Weekly economic newsletter of the European Confederation of Maize Production

Week 28/2018

N°131

## Indicators

FOB price 06/07/2018 in €/t - July delivery (2017 harvest)



	06/07	29/06
Parity €/€	1.17	1.17
Petrol \$/barrel (NY)	73.8	74.2
FOB Bordeaux*(€/t)	172	167
FOB Rhine* (€/t)	171	169

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: US maize in very good conditions

While it is too early to project ourselves in the 2018/19 crop year, the CIC is announcing an increase in production and uses that would allow a new decrease of the world's stocks by 15% compared to 2017/18.

Harvests in Argentina are up by 7% this week, thanks to good climate conditions. The Bolsa de Cereales of Buenos Aires confirms low yields the maize fields that were sown a bit late, and maintains its production estimation at 32 Mt. According to the Imea, a third of crops have been harvested in Mato Grosso in Brazil.

US maize are still in good conditions, with 76% of acreages considered in good to even excellent condition. Note that 21% of maize are rated in excellent conditions, vs 13% last year at the same date. However, the USDA estimates that 17% of maize have reached the stage of flowering by July 1<sup>st</sup>, which is more than twice the five-year average. The warm weather forecast for next week, and more generally the July weather conditions, will be closely monitored by the market insofar as they will be extremely important for the yield performance in the US.

The weekly export sales are down this week at 440 Kt. Concerning the ethanol production, it has been high in the past 3 weeks and stocks are slightly improving.

In geopolitical matters, import taxes on a range of products have been officially implemented last Friday, both from the Chinese side and the American side. Markets, which have already substantially decreased over the last days, do not seem to have reacted this Friday. Note that figures of the positioning of funds have not been published yet, but their progression will be closely monitored.

Therefore, it will be important to look at the integration of these new taxes by the American market in the coming weeks. The weather conditions in the northern hemisphere, and particularly in the US, will also be very important.

## EUROPE: Euronext is taking over

EU imports progress this week, to end the crop year at 17.1 Mt. Volumes remain the same as last week with a dominance of Ukrainian (7.7 Mt) and Brazilian (5.1Mt) origins. Importers are mainly Spain, the Netherlands, Italy and Portugal. According to the CIC, the EU has become the largest importer in the world, ahead of Mexico and Japan.

In Ukraine, rains have fallen in the whole country. They have, to a certain extent, allowed to rebuild the soil reserves, following the water scarcity period suffered by the country.

Concerning wheat, Euronext progresses this week for all deadlines. We rate €174.75/t for the November 2018 deadline.

### To be monitored:

- USDA Thursday 12 July report
- US weather forecast
- Europe weather forecast

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