

CORN Market



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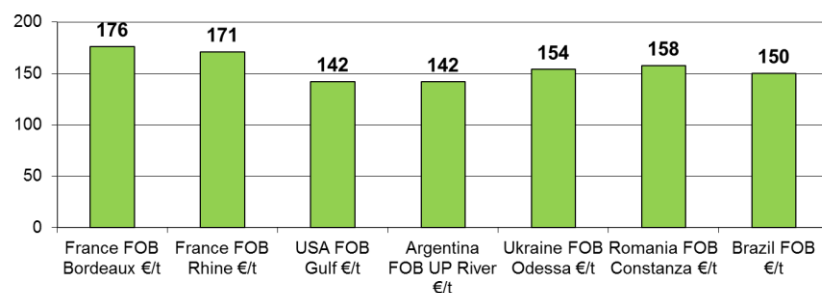
Weekly economic newsletter of the European Confederation of Maize Production

Week 30/2018

N°133

Indicators

FOB price 20/07/2018 in €/t - July delivery (2017 harvest)



	20/07	13/07
Parity €/€	1.17	1.16
Petrol \$/barrel (NY)	70.5	71
FOB Bordeaux*(€/t)	176	168
FOB Rhine* (€/t)	171	170

*Fob price Bordeaux/Rhine including monthly increases

WORLD: decrease in the US crops ratings

With the progress of the harvest, and particularly the harvest of maize sowed the latest, the Bolsa de Cereales of Buenos Aires reviews its estimates of the Argentinean production downwards, to 31 Mt, i.e. 8 Mt less than last year. In Brazil, harvests are still under way. Significant yields variations can be noticed within the country.

Markets mainly reacted to the USDA's 3% decrease of the US maize rating. They are now estimated in good and even very conditions for 72% of acreages, which still remains clearly higher than last year at the same time (64%). The flowering stage is still ahead of schedule with 63% of acreages having reached this stage, vs 37% on average over the past 5 years.

Concerning the US demand, weekly export sales reach 640 Kt and are on the rise this week compared to last week. Ethanol production is also increasing compared to last week, with an average production of 1.064 million barrels per day.

Despite this week's recovery, prices remain low in Chicago. However, the South American production level has significantly decreased over the past season, which would give to the US maize a more significant market share, thus encouraging US exports. Global stocks as well as US stocks are expected to decrease for the 2018/19 crop year, which would also support the maize markets. But in the end, the burden of the trade war is still there, and non commercial funds are increasing their net selling positions this week. The CBOT rates \$145/t on the December 2018 deadline.

EUROPE: Euronext increasing thanks to wheat

In Ukraine, the conditions for maize are globally favorable. They are at the flowering stage, and benefit from rainfalls at the moment. With 413 Kt imported into the EU since July 1st, the weekly imports level continues with a slightly slower pace than at the end of the crop year. It is to be noted that the recent increase in prices in the US should for the moment make the triggering of custom duties in the EU less likely.

Wheat harvests are ongoing in the EU, with average figures in France. In this context, the European wheat market tends to increase, and with it the maize market, which remains competitive against others cereals.

Euronext rates €177.5/t on the November deadline, i.e. €6 higher than last week.

To be monitored:

- US weather forecast
- European weather forecast
- Trade war follow-up

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