

# CORN Market



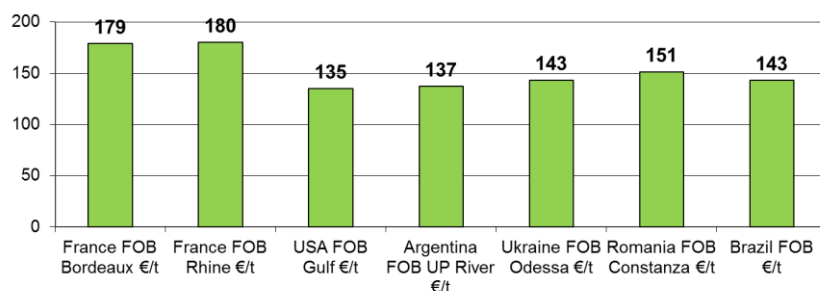
Weekly economic newsletter of the European Confederation of Maize Production

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## Indicators

FOB price 21/09/2018 in €/t - October delivery\*\* (2018 harvest)



	21/09	14/09
Parity €/€	1.18	1.17
Petrol \$/barrel (NY)	70.8	69
FOB Bordeaux*(€/t)	179	179
FOB Rhine* (€/t)	180	180

\*\* Fob price Rhine January 2019 deadline

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: many uncertainties on the markets

Sowings have begun in Argentina, with 300 Kha sown. The total acreage is maintained at 5.8 Mha by the Bolsa de Cereales of Buenos Aires, which is 400 Kha higher than last year. But will this figure be maintained after the recent developments concerning taxes on cereal exports?

In the US, harvests are starting slightly earlier than last year. The harvest figures will enable us to confirm or correct the record-high yields announced by the USDA...

The US demand is a supporting factor. We can note a very good momentum on export sales in the beginning of the crop year, due to attractive US prices and lower South-American volumes. After very good figures in August, the US ethanol demand is slightly decreasing.

In addition, the private analyst Informa gives a forecast of a 4.4% increase for US corn acreage, and a 7.5% decrease for US soy acreage for 2019. This first forecast will have to be confirmed in 2019, and is based on prices and the advantage of maize taking into account the political tensions with China.

Prices are slightly resuming on the CBOT after the past week, but remain very low. After the USDA report, and the announcement of record-high US yields (114 q/ha on average), non-commercial funds liquidated their positions in Chicago on 18 September.

Finally, the global situation remains marked by uncertainties. US demand is positive and stocks are expected to be lower than last year, but markets still need to digest the USDA's production reevaluation. Political tensions let us expect a strong increase in acreages in 2019 in the US, while the evolution of taxes in Argentina can also impact acreages.

## EUROPE: towards a triggering of custom duties?

The European Commission predicts EU yields to reach 7.5 t/ha, vs 7.8 t/ha last year. Strong decreases are observed in Germany, Belgium, France and Poland, as these countries were impacted by the drought. Cumulated EU imports since July 2018 have reached 3 Mt, slightly lower than their 2017/2018 level, which as a reminder was exceptionally high.

The euro's strength and the decrease in American prices push the average CAF Rotterdam prices of US maize downwards. The price could reach the threshold triggering custom duties on EU imports if the price context does not change.

According to UkrAgroConsult, 13% of the acreage has been harvested on 20 September in Ukraine. The government announces a 29.5 Mt harvest, vs 31 Mt for the USDA.

Euronext prices remain stable this week, with €177/t on the November 2018 deadline.

### To be monitored:

- Harvest Northern Hemisphere
- Sowing in South America
- Talks US - China

EUROPEAN CONFEDERATION OF MAIZE PRODUCTION

23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44  
Square de Meeûs 21 - 1050 Bruxelles • Tél. +32 2 230 38 68