

# CORN Market



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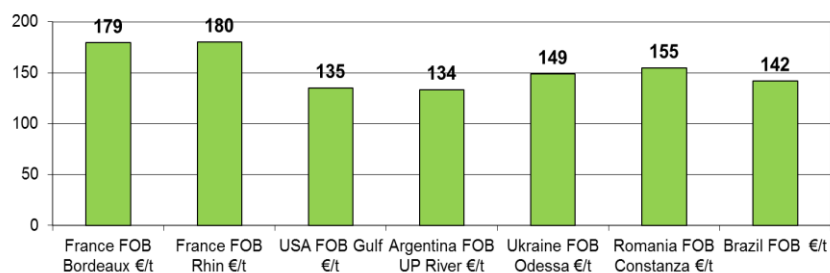
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## Indicators

FOB price 14/09/2018 in €/t – October delivery\*\* (2018 harvest)



	On 14/09	On 07/09
Parity €/€	1.17	1.16
Petrol \$/barrel (NY)	68.99	67.75
FOB Bordeaux*(€/t)	179	178
FOB Rhine* (€/t)	180	185

\*Fob price Bordeaux/Rhine including monthly increases

\*\*Fob price Bordeaux October 2018 deadline. Fob price Rhine January 2019 deadline..

## WORLD : USDA weighing on prices

While the market is still pulled between basic figures and geopolitical choices, the publication of the September USDA report was expected by traders. And the least we could say is that the American agency's report was surprising. Indeed, the market was anticipating a downwards revision of yields and production estimates for US maize... which in the end did not happen! To the contrary, the USDA increased its yields estimates by 2 q/ha, to reach a national average of 11.4 t/ha! Consequently, the US production is now projected to reach 377 Mt, which would be its second highest harvest in history, despite a decrease in acreages. At the same time, the USDA "compensates" this increase in production with the increase of internal uses (feed and ethanol) and exports, meaning that stocks are only 2 Mt higher than in August. The report immediately influenced the prices, with a strong decrease in the US markets, and December contracts at their lowest level in Chicago... despite the lowest stock on uses ratio since 2013/2014!

The developments of the US figures are reflected at the global level. The end of crop year stock remains low, 37 Mt lower than in 2017/2018 and 69 Mt lower than two years ago. Let us remind that we should remain cautious about these figures, as they integrate South-American data, where the first sowings are barely beginning...

In Argentina, after the export tax on cereals was reinstated, the question of its impact on maize acreage remains relevant. For some observers, this will favour soybean sowings at the expense of maize, whose price has been falling since the announcement of the reinstatement of the tax.

## EUROPE : increase in imports for the USDA

In its report, the USDA confirms an increase in maize imports in the EU in the 2018/2019 crop year. The agency indeed gives a forecast of 19.5 Mt EU imports, vs 18 Mt in the previous crop year... on the account of a growing animal feed demand reaching 63.5 Mt.

In Ukraine, the first harvests have started and seem to confirm high yields. The USDA confirms 31 Mt production, in line with figures integrated by the market. Ukrainian prices are progressively aligning with the start of the harvest and the decrease of the Hryvnia.

### To be monitored :

- US harvest
- UE imports

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