

# CORN Market



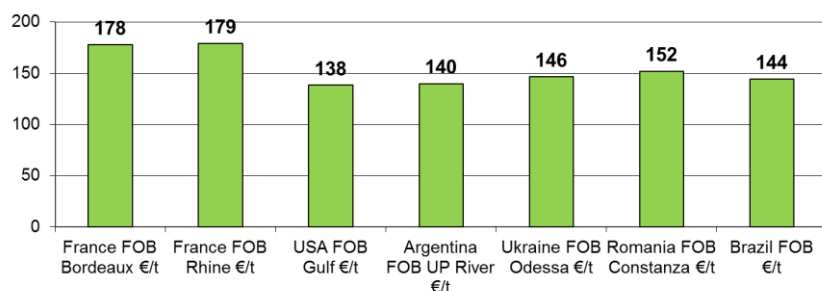
Weekly economic newsletter of the European Confederation of Maize Production

Week 40/2018

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## Indicators

FOB price 28/09/2018 in €/t - October delivery\*\* (2018 harvest)



	28/09	21/09
Parity €/€	1.16	1.18
Petrol \$/barrel (NY)	73.2	70.8
FOB Bordeaux*(€/t)	178	179
FOB Rhine* (€/t)	179	180

\*\* Fob price Rhine January 2019 deadline

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: US stocks higher than expected

In Brazil, the ideal sowing conditions for soybean in the state of Parana allow for quick progress of sowing. This situation should allow a timely harvest of soybean, contrary to last year, and therefore a timely sowing of second-harvest corn in the ideal sowing window. Besides, the depreciation of the real vs the US dollar increases the costs of input for Brazilian producers, but also a higher price paid for exported goods. While it is still early to anticipate the future, these conditions could favour the development of maize acreages in Brazil.

In Argentina, sowings progress and have reached 11% of acreages. Some specialists think the acreage of late corn will decrease to the profit of soybean especially after the introduction of export taxes which will impact maize more than soybean.

The harvest continues to progress in the US, with 16% of surfaces harvested vs. 11% on average. But the attention of operators was focused last week on the publication by the USDA of the state of US stocks on 1<sup>st</sup> September. While the US stocks are lower than last year at the same time, they are still higher than the operators' expectations. In addition to the potential increase in US acreage, this development does not support prices in Chicago.

Demand is still strong this week in the US with weekly export sales of 1.7 Mt. The ethanol production is also going strongly, above the level of the previous years.

Prices are stable from one week to the next in Chicago, but will the impact of the USDA's publication be counter-balanced by the good demand figures?

## EUROPE: more than 3 Mt imported into the EU

The average CAF prices of US maize imported in Rotterdam reached €153.5/t on 26 September, while the threshold to trigger import taxes is €152/t. In this context, we should monitor the €/€ exchange rate as well as the development of US prices.

Cumulated imports since July have reached 3.3Mt, close to last year's levels. The perspective of another year with high level of imports is slowly getting clearer...

In Ukraine, the harvests are more advanced than last year and confirm higher yields than in 2017. Physical prices are low in the country, strengthening the export competitiveness of corn.

Euronext rates €174.5/t on the November 2018 deadline, losing €2.5/t after last year.

### To be monitored:

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

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