

CORN Market



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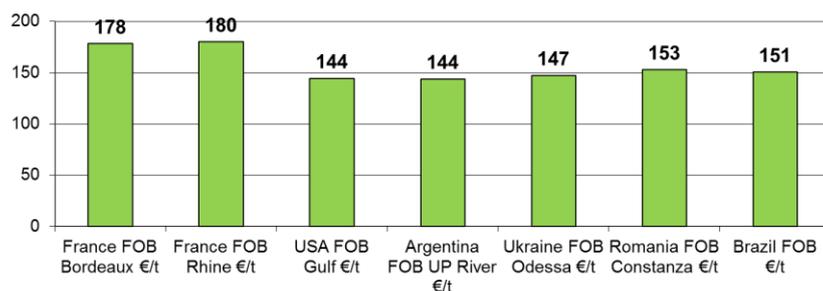
Weekly economic newsletter of the European Confederation of Maize Production

Week 41/2018

N°141

Indicators

FOB price 05/10/2018 in €/t - November delivery** (2018 harvest)



	05/10	28/09
Parity €/€	1.15	1.16
Petrol \$/barrel (NY)	74.3	73.2
FOB Bordeaux*(€/t)	178	178
FOB Rhine* (€/t)	180	179

** Fob price Rhine January 2019 deadline

*Fob price Bordeaux/Rhine including monthly increases

WORLD: waiting for the USDA report

Sowings have progressed to reach 19.5% in Argentina. To be noted, the Buenos Aires Bolsa de Cereales signals some impact of frost in the end of September on the most advanced maize.

The US harvests are still ahead of their average progress, with 26% of acreage harvested on 30 September 2018 as compared to 17% on average. However, the rainfalls last week and in the coming week could slow down the progress of harvesting in the US. This Thursday's USDA Report is awaited: will the US agriculture ministry review its yield assessments downwards from 114 q/ha on average?

Still in the US, the ethanol production is slightly decreasing this week. Weekly export sales are still high (1.4 Mt) thanks to the competitiveness of US maize on international markets. In parallel, in Brazil, September exports reach 3.4 Mt, vs 5.9 Mt in 2017, showing lower harvest and available volumes for exports compared to last year, and significant competition on the international market.

Against a background of rainfalls and strong US demand, the CBOT is stronger than last week, reaching once again prices from before the last USDA reports. Operators are still waiting for the USDA's report publication on Thursday, to get the 2018/2019 production figures. Non-commercial funds, while they are still net sellers, made some re-purchases in early October.

EUROPE: imports continue

Cumulated imports into the EU since early July (3.9 Mt) have exceeded by more than 270 Kt last year's volumes at the same date, which were already high. This week, most maize imported into the EU came from Brazil, outperforming Ukraine. The Commission corrected its figures, increasing its imports figures to 16 Mt (vs 17.8 Mt imported last year). Operators are however expecting largely superior figures.

With the upturn of US markets and the strengthening of the dollar, the perspective of triggering EU custom duties seems less likely for now.

In Ukraine, harvests are progressing, confirming – for now – the already announced good yields.

Euronext remains stable compared to the past week, with €174.25/t on the November 2018 deadline. Operators are monitoring the developments of the wheat market, taking into account rumors on exports regulation in Russia.

To be monitored:

- USDA report
- USA/Ukraine yields
- Sowings South America

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