

CORN Market



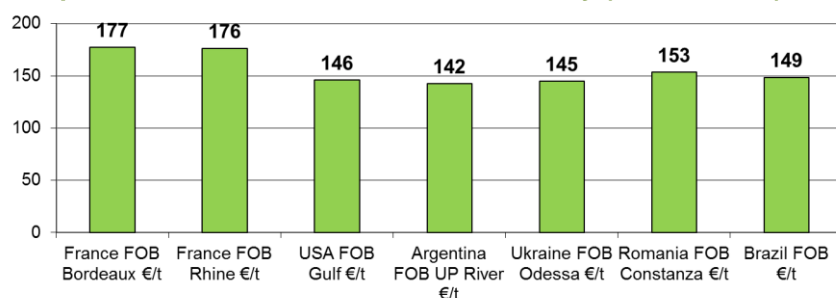
Weekly economic newsletter of the European Confederation of Maize Production

Week 42/2018

N°142

Indicators

FOB price 12/10/2018 in €/t - November delivery (2018 harvest)



	12/10	05/10
Parity €/€	1.16	1.15
Petrol \$/barrel (NY)	71.3	74.3
FOB Bordeaux*(€/t)	177	178
FOB Rhine* (€/t)	176	NC

**Fob price Bordeaux/Rhine including monthly increases*

WORLD: supporting factors in the US

The USDA report of the month of October gave mitigated results. In the US, yield assessments are revised downwards compared to the past month (113 q/ha) and exports are revised upwards, integrating the strong competitiveness of US maize and the decrease in Russian exports. Despite these factors, the upwards revision of US stocks of the beginning of the crop year impacted the final stocks by +1Mt (46 Mt). At the global level, stocks of the end of the crop year are also revised upwards at 159 Mt, or +2.3 Mt compared to last month.

According to the Bolsa de Cereales of Buenos Aires, a quarter of the provisional acreage has been sown in Argentina, a bit ahead of the average. Conab shows some increasing potential for Brazilian acreages compared to last year. With yields comparable to last year, the organisation's first production estimates reach 90.4 Mt (94.5 Mt for the USDA). They will surely be reajusted when second-harvest maize are sown.

In the US, weather forecasts are less humid than last week, which would allow harvesting. US export sales are still dynamic, and are even the top supporting factor for markets. Concerning ethanol production, it is resuming this week but stock are also increasing.

Therefore, despite a rather mitigated USDA report and the rains of the past week in the US, effective export sales are still supporting prices on the CBOT.

EUROPE: tense stocks in the EU-28

In Russia, weak yields are confirmed with the progress of harvests. In the contrary, in Ukraine, 40% of acreage have been harvested and show good yields. Logistical problems have already been signaled in the country.

In its EU results, Stratégie Grain announced tense stocks on 30/09/2019 (4.9 Mt), notably thanks to increases in cattle feed uses (59 Mt) and in exports (2.3 Mt) compared to 2017/2018, which is only partially compensated by the planned increase in imports (21.1 Mt). Maize imports from third countries are still increasing at the same rhythm in the EU, already reaching 4.5 Mt.

Euronext is again stable this week..

To be monitored:

- Sowings in South America
- Harvests in the Northern Hemisphere
- EU imports

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