

# CORN Market



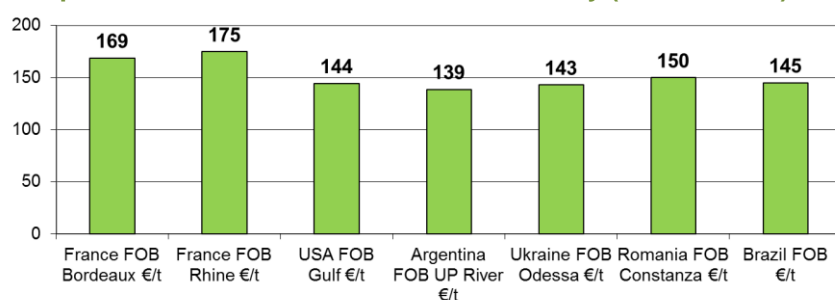
Weekly economic newsletter of the European Confederation of Maize Production

Week 44/2018

N°144

## Indicators

FOB price 26/10/2018 in €/t – November delivery (2018 harvest)



	26/10	19/10
Parity €/€	1.13	1.15
Petrol \$/barrel (NY)	67.6	69.1
FOB Bordeaux*(€/t)	169	172
FOB Rhine* (€/t)	175	177

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: US markets under pressure

With an increase in production in South America, the CIC gives a global production forecast of 1074 Mt for the 2018/2019 crop year, which is a 2.5% increase compared to last year and the second highest production in history. It should be compensated by a record high level of consumption (1112 Mt), boosted by animal feed and industrial uses in the US and in China. On this base, stocks should reach 266 Mt, which is a 12.5% decrease compared to last year.

With 34% of acreage sown, Argentinian sowings are slightly ahead of the average, while the sowing season for early maize is nearing its end in some regions. Soy sowings are still progressing in Brazil, with good hopes for second-harvest maize sowings for farmers.

On 21<sup>st</sup> October, the USDA estimated that half of the US production had been harvested, significantly ahead of last year, and 2 points above of the five-year average. US weekly export sales are as low as last week, under the pressure of foreign competition and the strengthening of the dollar. The ethanol production is resuming slightly, but stocks are decreasing compared to last week. Finally, the good progress of US harvests, coupled with the strengthening of the dollar and lower demand, put the US market under pressure. The CBOT is struggling to increase this week. The perspective of an increase in US 2019 acreage should be noted, and good harvests in South America are also anticipated, even though they are still far in the future.

## EUROPE: Euronext still decreasing

DG AGRI published its October figures. The EU production is now estimated to reach 62.3 Mt, which is an increase compared to last month, after new yield estimates. Compared to the September figures, imports figures have been increased (+300 Kt, or 16.3 Mt), exports figures decreased (-170 Kt) which are not enough to compensate the increase of animal feed uses (+1.7 Mt or 61.4 Mt). Stocks estimates on 30 June 2019 are consequently revised downwards to 20.2 Mt, which is exactly 3 months of EU average consumption.

The euro, weakened compared to the dollar, protects our domestic markets to some extent. Cumulated imports since 1<sup>st</sup> July still continue to increase and reach 5.1 Mt on 21 October, vs respectively 4.5 Mt and 2.5 Mt in 2017/2018 and 2016/2017. The CIC is revising its EU import estimates to 18.7 Mt, which is 0.5 Mt more than the record-high imports of last year.

Ukrainian maize gains in competitiveness with the pressure of the massive harvest expected in the country. The Fob prices are still this week under the US Fob prices.

Euronext is still decreasing this week, rating respectively €166/t and €170/t on the November 2018 and January 2019 deadlines.

### To be monitored:

- South American sowings
- Northern Hemisphere harvests
- US demand

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