

# CORN Market



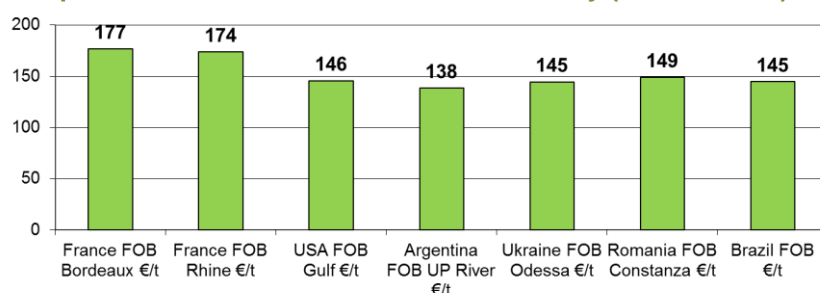
Weekly economic newsletter of the European Confederation of Maize Production

Week 45/2018

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## Indicators

FOB price 02/11/2018 in €/t – November delivery (2018 harvest)



	02/11	26/10
Parity €/ \$	1.14	1.13
Petrol \$/barrel (NY)	63.1	67.6
FOB Bordeaux* (€/t)	177	169
FOB Rhine* (€/t)	174	175

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: waiting for the USDA report

The USDA, in its first 2028 projections, is expecting the US maize acreage to reach 34.2 Mha in 2019, which is 1.1 Mha higher than this year. This increase, already anticipated by the markets, is a result of the US-China geopolitical context which pushes soy prices downwards, thereby limiting the economic attractiveness of soy as compared to maize. On this topic, the rumor last week of a potential trade deal between the two countries led to a significant increase in soy prices. This surge was quickly over however, since a denial was then circulated. But this situation shows that any progress on this matter could significantly impact soy prices, and consequently maize prices...

Concerning production, Brazilian sowings progress quickly thanks to good weather conditions. In the US, maize harvests are also progressing, reaching 63%, in line with the five-year average. Rainfalls expected in the Corn Belt in the beginning of the week could however impact harvesting.

On the side of demand, weekly export sales are struggling to resume in the US. They reach 400 Kt this week, far from the millions of tons exported each week in September. Ethanol production is going well this week, reaching its August levels. Ethanol stocks are down 5% compared to last week.

Prices have gained a few dollars in Chicago compared to last week, while operators are still waiting for Thursday's USDA report. Will the organisation revise its US production figures downwards, following the FAO and the CIC (-1.2 Mt compared to last month)?

## EUROPE: 500 Kt imported this week

500 Kt were imported into the EU this week, reaching a cumulated total of 5.6 Mt since early July. This is respectively +14% and +111% higher than the 2017/2018 and 2016/2017 levels. Brazilian maize remains the top origin, even though Ukraine should gain market shares as the season advances.

In Ukraine, harvests are progressing faster than last year. Logistics problems are expected to divert this year's record-high harvest, and could impact the country's exports.

Following the American market, Euronext gains +€3/t compared to last week. The January 2019 deadline is rated at €173/t.

### To be monitored:

- USDA report of 8 November
- South American weather forecast
- US demand

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