

CORN Market



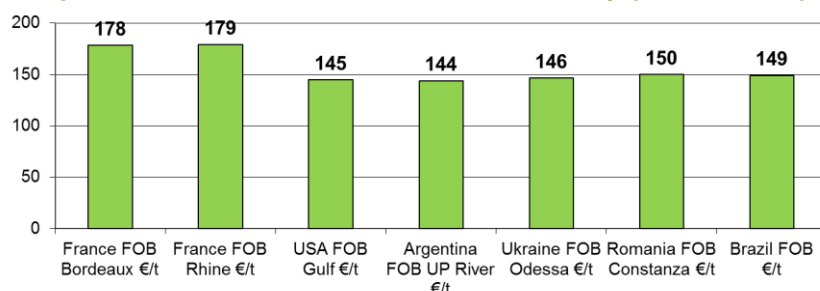
Weekly economic newsletter of the European Confederation of Maize Production

Week 47/2018

N°147

Indicators

FOB price 16/11/2018 in €/t – December delivery (2018 harvest)**



	16/11	09/11
Parity €/€	1.13	1.13
Petrol \$/barrel (NY)	56.5	60.2
FOB Bordeaux*(€/t)	178	175
FOB Rhine* (€/t)	179	177

*Fob price Bordeaux/Rhine including monthly increases

**Fob prices Rhine for the January 2019 deadline

WORLD: slight delay for US harvests

The strong rainfalls in Argentina hinder the progress of sowing, but allow the increase of the water reserves in certain areas. The Buenos Aires Bolsa de Cereales assesses global progress of sowings to 36% of acreages, which is below the five-year average. Despite good progress at the beginning of the season, US harvests are now slightly in delay compared to last year (84% vs 87%). Weekly export sales resumed in the country, reaching 892 Kt sold over the past week. Ethanol production is stable compared to last week, but stocks increased by 1.6%.

The week was marked by a decrease in prices in Chicago on all deadlines. The South American weather will be very significant, and the G20 summit at the end of the month will be closely monitored by operators. Indeed, Presidents Trump and Xi Jinping should meet there, which could lead to potential progress in the framework of the trade war opposing the two countries.

EUROPE: competitiveness of Ukrainian maize

Imports into the EU continue to progress, reaching 6.6 Mt since July, which is 1.3 Mt higher than last year at this date and 3.5 Mt higher than 2 years ago. We should note that out of this total, 2.3 Mt come from Ukraine, which is 1 Mt higher than last year at the same date. According to certain operators, Ukrainian exports towards the EU could reach 10 Mt on the October-September crop year.

In Ukraine, 85% of acreage have been harvested, confirming record high yields in the country. Most exports of the past two months were sent to the EU.

According to Stratégie Grains, on the closest deadlines, Ukrainian maize is the most competitive in the South of the EU, followed by Bulgarian and Romanian maize. On the north of the EU, maize from the Black Sea is also the most competitive.

Despite the massive import flows, Euronext rates bounce back by €3/t this week, reaching €174.75/t on the January 2019 deadline.

To be monitored:

- G20 summit end November
- South American weather forecast
- US demand

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