

CORN Market



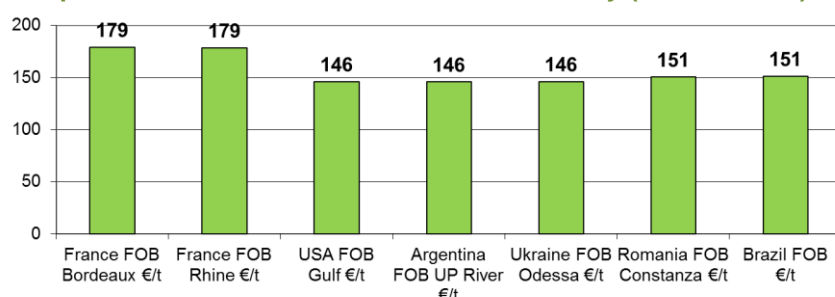
Weekly economic newsletter of the European Confederation of Maize Production

Week 49/2018

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Indicators

FOB price 30/11/2018 in €/t – December** delivery (2018 harvest)



	30/11	23/11
Parity €/€	1.14	1.14
Petrol \$/barrel (NY)	50.9	50.4
FOB Bordeaux*(€/t)	179	180
FOB Rhine* (€/t)	179	179

*Fob price Bordeaux/Rhine including monthly increases
**Fob prices Rhine for the January 2019 deadline

WORLD: trade war on hold

The meeting between Trump and Xi Jinping during the G20 summit was much expected by the cereals stakeholders and especially the oilseeds sector, and the first step towards the end of the trade war. Both presidents agreed on a 90-day “break” in the one-upmanship of custom duties, opening the way to a negotiation.

Concerning production, late sowings have started in Argentina, with 38% of the acreage sown so far. The Buenos Aires Bolsa de Cereales signals good conditions for most of the first sowings. The situation in Brazil is still very positive, with ideal conditions for soybeans.

US harvests come to an end with 94% of acreages harvested, still slightly delayed compared to the average. With 1.3 Mt, the country's weekly export sales are very good this week, a positive signal for the markets. The level of ethanol production, slightly increasing compared to last week, is at a good level. Ethanol stocks are however slightly increasing too.

Markets seem appeased by the Trump – Xi Jinping meeting and soybean prices, followed by maize at a lower scale, were already picking up on Friday in Chicago. This trend appears to continue on Monday. However, all problems are not solved and if the lack of profitability of soybean continues, American farmers will sow maize next spring. And any increase of US acreage will put additional pressure on global markets... Non-trading funds in Chicago were still net sellers on 27 November. This trend could change after the weekend's events.

EUROPE: Euronext not rising up

Imports into the EU have reached 7.6 Mt since early July, unprecedented levels compared to the past few years. Ukrainian origins, with the end of the harvest, take more significance on our markets with a total of 3 Mt imported over the same period.

The end of Ukrainian harvest is slowed down by the cold wave and snow in the country. Unprecedented volumes will have to be exported from the country all along the crop year, but will the country's logistics allow it without major issues?

For now, Euronext does not appear to be following the American upwards trend. Euronext is rating €172.75/t on the January 2019 deadline, down by €1.25/t compared to last week.

To be monitored:

- 11/12 USDA Report
- US-China talks
- US demand

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