

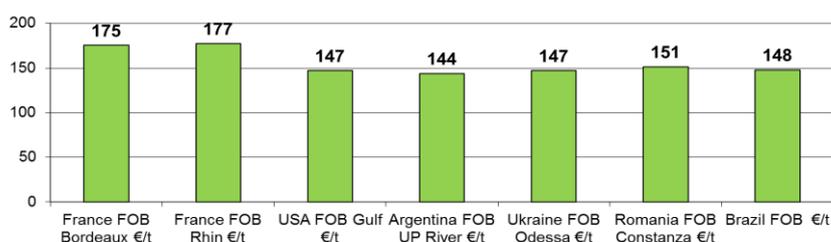


Week 46/2018

N°146

Indicators

FOB price 09/11/2018 in €/t - June delivery (2018 harvest)



	09/11	02/11
Parity €/€	1.13	1.14
Petrol \$/barrel (NY)	60,19	63,1
FOB Bordeaux* (€/t)	175	177
FOB Rhine* (€/t)	177	174

*Fob price Bordeaux/Rhine including monthly increases

WORLD: the Chinese fundamentals revamped by the USDA

The USDA released its report last week, and surprised operators with a complete review of the Chinese history. Following the amendment of the official estimates for Chinese production, the USDA notably re-evaluated the stocks of the country to more than 200 Mt in 2018/19, whereas they had been lower than 60 Mt last month. While the global review will certainly be reshaped by this, the impact of this reshuffle on the markets should be limited given China's limited role in global trade so far.

Operators are therefore more interested in the revisions made concerning exporting countries: exports from Argentina and Ukraine were increased by 1 Mt and 2 Mt respectively compared to last month, while those from the US, in competition from Ukraine, are down to 0.6 Mt. An element of importance is that the yield (still a record) in the US is revised down to 112.3 q / ha against 113.4 q / ha last month, which generates a review of the production forecast of - 3.8 Mt. The decrease in consumption does not compensate for these changes, US estimated stocks reach 44 Mt, -1.9 Mt compared to last month and -10 Mt compared to 2017 / 18.

In Argentina, 65% of early sowing of maize is done by 7 November. From the end of the month until January, late sowing, which should represent more than half of the country's acreage, will take over.

Meanwhile, in the US, harvests are up to 76% of national surfaces, in the five-year average. Weekly export sales are recovering slowly, reaching 700 Kt, against 400 Kt last week. Ethanol production also continues to grow, but stocks increased by almost 2%.

The Chicago market has stabilised in one week's time. The USDA report sends positive signals of the evolution of US stocks, but international (and notably Ukrainian) competition is likely to increase for US corn.

EUROPE: 33.5 Mt of production in Ukraine

The USDA confirms the rise of Ukrainian origins, with an expected harvest of 33.5 Mt for a record exportable supply of 27 Mt. Ukrainian maize flows to the EU are expected to be massive again this year.

Almost 6 Mt has been imported into the EU since last July, a figure that is in definite increase compared to previous years. As of November 4, the largest third country importers are Spain (2.2 Mt), Holland (1 Mt), Portugal (750 Kt) and Italy (500 Kt).

Euronext is stable from one week to another, rating 172.75 € / t in the January 2019 deadline.

To be monitored:

- South American weather forecast
- Ukraine Exports
- US demand