

# CORN Market



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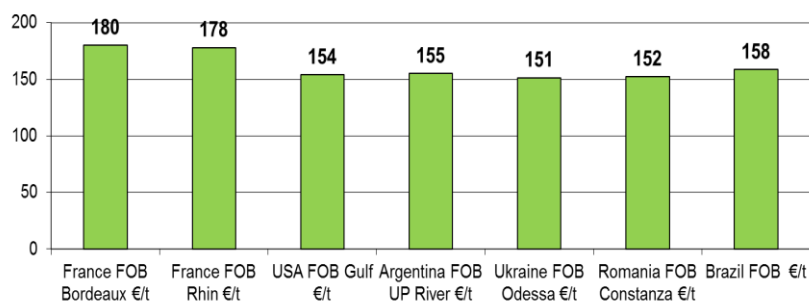
Weekly economic newsletter of the European Confederation of Maize Production

Week 51/2018

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## Indicators

FOB price 14/12/2018 in €/t - June delivery (2018 harvest)



	Au 14/12	Au 07/12
Parity €/€	1.13	1.14
Petrol \$/barrel (NY)	51.2	52.6
FOB Bordeaux*(€/t)	180	181
FOB Rhine* (€/t)	178	179

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: consolidation of US rates

The US maize prices seem to be consolidating on the current bases, comforting the increase observed in Chicago since mid-November. Basic figures remain unchanged in the US and at the international level in the latest USDA report. The stock for the end 2018/2019 should be 17 Mt lower than in the previous crop year, integrating a 25 Mt increase for South-American production. The latter remains hypothetical, as most sowings are still in the future. Only 46.7% of Argentinian sowings have been done so far, vs 53.8% last year at the same date. In Brazil, acreage should be stable with 16.66 Mha so far.

In South Africa, dry conditions are hindering sowings, with a direct impact on local prices.

Finally, the rumors on possible purchases of US maize by China are still around, but still without any confirmation... Only some soybean sales (for slightly over 1 Mt) have been confirmed, with public companies as buyers (Sofca and Synograin). The 25% duty applied on US soybean entering China is still implemented, and prevents any massive purchase of US soybean, contrary to Donald Trump's announcements.

US funds are still monitoring the situation closely, and consolidating their long positions for maize (99,000 contracts vs 54,000 last week).

## EUROPE: free rein for Ukraine

Euronext ends the week with a slight increase (+€1.5), at €175.5 on the January deadline, slightly benefiting from the current wheat market momentum.

The USDA confirms the Ukrainian production estimates, now reaching 35 Mt, with exports predicted to reach 28 Mt. This would be a record, putting pressure on Ukraine to implement an exceptional exporting campaign. This rhythm really accelerated in November with 2.9 Mt exported over the month. Ukrainian maize remains the cheapest on the market and should, beyond the EU, win market shares in other countries. EU imports are progressing with a lot of activity this week (710 Kt), amounting to 9.1 Mt in total since 1<sup>st</sup> July! With close to 4 Mt, Ukrainian maize represents 43% of imported volumes. Taking into account the announced imports estimates (19 to 20 Mt depending on operators), the lack of short-term availability in South-America, and taxes on US maize, Ukraine could very well export another 9 to 10 Mt...

### To be monitored:

- China/US relation developments
- Ukrainian exports
- Russian exports political decision

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