

CORN Market



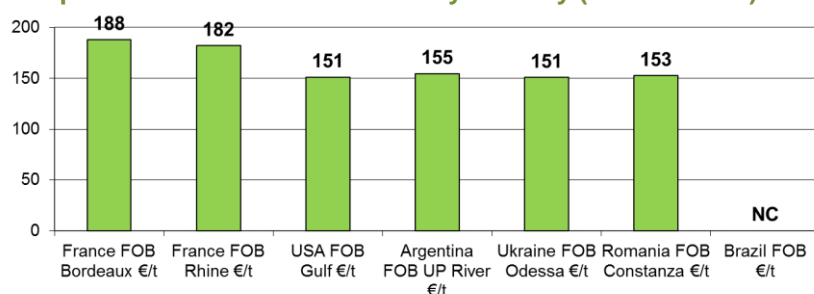
Weekly economic newsletter of the European Confederation of Maize Production

Week 1/2019

N°152

Indicators

FOB price 4/01/2019 in €/t – February delivery (2018 harvest)



	4/01	14/12
Parity €/ \$	1.14	1.13
Petrol \$/barrel (NY)	48	51.2
FOB Bordeaux* (€/t)	188	180
FOB Rhine* (€/t)	182	178

*Fob price Bordeaux/Rhine including monthly increases

WORLD: slight increase in Chicago markets

The main developments on the global maize market are centred in South America, which is entering a decisive phase for its maize production. According to the Buenos Aires Bolsa de Cereales, Argentinian sowings have been done on 4.8 Mha, which is 83% of the final acreage. A million hectares should still be sown this month, before the end of the optimal sowing period. According to the same organisation, to this day, cultivation conditions are much better than last year with 48% of surfaces estimated to be in food to very good conditions. In Brazil, the hot and dry weather of December accelerated the cultivation cycle of soybean, with negative consequences on the yields. Should the dry conditions last longer, they could also have consequences on the safrinha maize sowings, which should take place over the first months of the year.

In the US, the shutdown is paralyzing public services and the export sales data have not been published. The ethanol production on 28 December was 3% lower than during the previous week, with stable stocks. The USDA report on supply and demand, which was expected for 11 January, was also postponed. On the political front, talks between China and the US should take place early this week. As a reminder, both Presidents have given themselves until early March to find ground for agreement. Beyond this deadline, the "break" would come to an end.

Therefore, despite an uncomplete vision of the US demand, markets gains a few dollars in Chicago on the basis of concerns on the South-American weather and hopes for progress in the Chinese-American trade conflict. On 18 December, the US funds consolidated their long positions further, reaching 128,000 lots.

EUROPE: EU production estimates increase

The Commission reevaluated the EU production figures upwards from last month, to 67.5 Mt (+4.6 Mt). This would represent in fine an increase of 3 Mt compared to the 2017 harvest. Uses for animal feed were also increased (63 Mt), while imports estimates remain unchanged compared to last month, at 18.5 Mt. The stocks for end June are now estimated to reach 22.6 Mt, which represents slightly more than 3 months average EU consumption.

The momentum of imports towards the EU is still there, with a total of 11.3 Mt imported between July 2018 and January 2019, half of which comes from Ukraine.

As expected, Ukrainian exports are much higher than last year on the first part of the crop year. Significant flows are also planned for 2019, taking into account the stable EU demand and the available volumes in Ukraine.

Like Chicago, Euronext starts the month with a positive dynamic, rating €182.25/t for the March 2019 deadline.

To be monitored:

-US-China talks

-Weather conditions in South America

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