

CORN Market



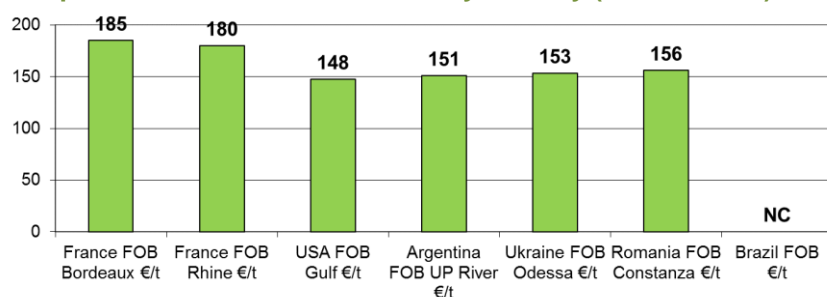
Weekly economic newsletter of the European Confederation of Maize Production

Week 2/2019

N°153

Indicators

FOB price 11/01/2019 in €/t – February delivery (2018 harvest)



	11/01	4/01
Parity €/€	1.15	1.14
Petrol \$/barrel (NY)	51.6	48
FOB Bordeaux*(€/t)	185	188
FOB Rhine* (€/t)	180	182

*Fob price Bordeaux/Rhine including monthly increases

WORLD: disoriented markets

Following rains, Argentinian sowings progress slowly this week, reaching 86% of acreages on 9 January. The Buenos Aires Bolsa de Cereales however maintains its final acreage estimation unchanged to 5.8 Mha. Moreover, the organisation estimates that 51% of final sowed surfaces are in good to very good state, which is nearly 22% higher than last year at the same date.

In Brazil, 1st harvest maize, mainly destined to domestic consumption, appear to be less impacted by the water shortage than soybeans. Their production is estimated at 27.5 Mt by Conab, which is slightly higher than last year. With an early soybean harvest this year, the sowings of 2nd harvest maize have already started. Considering the current water shortage, the weather of the coming weeks will be decisive for them. Besides, Conab will publish next month its first estimates of safrinha acreage, much expected by operators.

Three days of talks between US and Chinese officials took place last week, in order to end the trade tension opposing the two countries. No concrete announcement has been made following this exchange, leaving markets in the dark. They remain disoriented as they do not have the usual indicators published by the US administrator: USDA report, level of stocks, export sales, funds positions... Only the ethanol production volumes, in significant decrease, are still published. On Chicago, the few dollars that had been gained during the talks of the past week were quickly lost again. Without a reading grid on US demand, the only factors capable of influencing the markets would be an event in South America or real progress in US-China talks.

EUROPE: euro strengthened compared to dollar

EU imports continue to progress at an intense rhythm, mainly carried by Spanish and Dutch demand. The euro is getting stronger compared to the dollar, with an exchange rate now reaching 1.15, which favours commodities from other countries entering the Union.

Ukraine positions itself as top EU supplier, with large deliveries to Spain, the Netherlands, but also Germany and Italy. Euronext rates €180.5/t on the March deadline, decreasing compared to last week.

To be monitored:

- US-China talks
- Weather conditions in South America
- EU imports

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