

# CORN Market



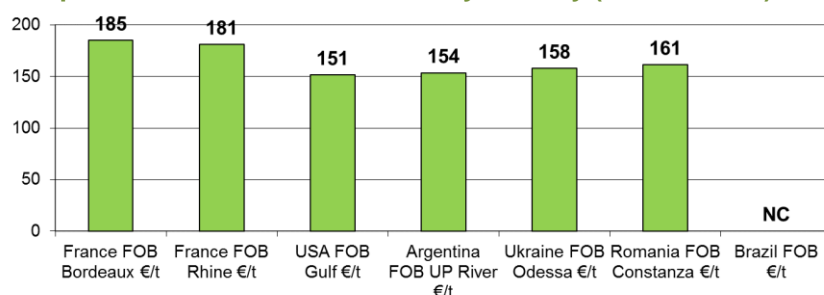
Weekly economic newsletter of the European Confederation of Maize Production

Week 4/2019

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## Indicators

FOB price 18/01/2019 in €/t – February delivery (2018 harvest)



	18/01	11/01
Parity €/€	1.14	1.15
Petrol \$/barrel (NY)	53.8	51.6
FOB Bordeaux* (€/t)	185	185
FOB Rhine* (€/t)	181	180

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: rainfalls in Argentina, drought in Brazil

According to the Buenos Aires Bolsa de Cereales, sowings are progressing slowly due to rainfalls in the north of Argentina in the past week. The rains also impacted plots that had already been sown. In spite of this, the organisation gives higher ratings to the crop, with 55% of maize in good to very good conditions on 16 January, vs 51% the previous week.

In Brazil, operators are concerned by the weather conditions of the coming months. Indeed, the first part of the rain season did not see as much rain as usual, and soybeans were impacted. The trend will have to resume for the second part of the season, otherwise the yield of safrinha maize destined for exports will be affected.

In the US, no update can be given concerning the trade war with China. The shutdown is still ongoing, paralyzing the US administration and consequently the usual transparency of the US markets. US weekly ethanol production, which was low over the past few weeks, was slightly increasing on 11 January (+5% compared to the previous week).

Like soybean prices, Chicago maize prices went slightly up compared to the previous week, showing some worries concerning the South-American situation. We lack visibility on fund movements in Chicago.

## EUROPE: 850 Kt imported by the EU this week

The EU imported this week close to 850 Kt of maize, vs an average of 420 Kt per week over the 2018/2019 crop year so far. With total imports for 2018/2019 on 13 January close to 50% higher than last year, will the Commission's provisional import figures (18.5 Mt) be increased once again? It should also be noted that the €/€ exchange rate fell back to 1.14.

While it is still early to give estimates for the 2019/2020 acreage in Europe, Stratégie Grains estimates an increase of 300 Kha, for a total of 8.7 Mha sown. This figure however is well below the five-year average.

In Ukraine, Fob prices are decreasing due to strong demand.

Euronext prices are stable, with €181/t on the March 2019 deadline.

### To be monitored:

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

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