

CORN Market



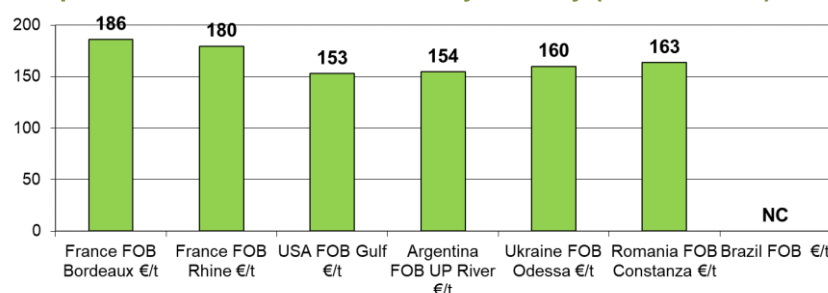
Weekly economic newsletter of the European Confederation of Maize Production

Week 5/2019

N°155

Indicators

FOB price 25/01/2019 in €/t – February delivery (2018 harvest)



	25/01	18/01
Parity €/ \$	1.13	1.14
Petrol \$/barrel (NY)	53.7	53.8
FOB Bordeaux* (€/t)	186	185
FOB Rhine* (€/t)	180	181

*Fob price Bordeaux/Rhine including monthly increases

WORLD: new upcoming China/US talks

The CIC modifies its previsional global figures, leading to higher than expected stock estimates compared to last month (+5 Mt), reaching 271 Mt. Despite this modification, the figure is at its five-year lowest.

Concerning production, despite some rains, sowings in Argentina have progressed in the North of the country. According to the Buenos Aires Bolsa de Cereales, the 420 Kha (7% of acreage) that still need to be sown are located in regions where the sowing conditions are still optimal. In addition, the organisation gives once again higher ratings for cultivation conditions, with 60% of maize in good to very good conditions, vs 55% last week. Sowings in Brazil confirm their progress with more than 5% of acreage sown, vs less than 1% in the five-year average.

Concerning the US demand, the ethanol production is decreasing this week (-2%) and stocks are increasing (+0.6%). Export figures are still not available, but the situation is still developing in the US with President Trump's decision to grant temporary funding, which should lead to the end of the shutdown in the coming three weeks. Market indicators, and notably the USDA report to be published on 8 February, should in theory be published after a month of hiatus. Concerning the trade war, a new meeting between the two parties is tabled this week. The result of the meeting is of course much expected by operators. Should no agreement be found before the March deadline, the custom duties war will resume.

CBOT shows a slight decrease compared to last week.

EUROPE: 20.8 Mt EU imports?

Cumulated imports since 1st July have nearly reached 14 Mt, including 7.5 Mt from Ukraine, 3.8 Mt from Brazil and 1.2 Mt from Canada. This massive imports situation is favoured by the wheat-maize price gap since the start of the crop year. In consequence, CIC is re-assessing 2018/2019 EU imports to a new record-level of 20.8 Mt. This strengthens the EU's ranking as top global importer, largely ahead of Mexico (16.8 Mt) and Japan (16.2 Mt).

Ukrainian Fob prices are still progressing this week with the momentum of export demand.

Euronext lost €1.25/t compared to last week, rating €179.75/t on the March 2019 deadline.

To be monitored:

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