

CORN Market



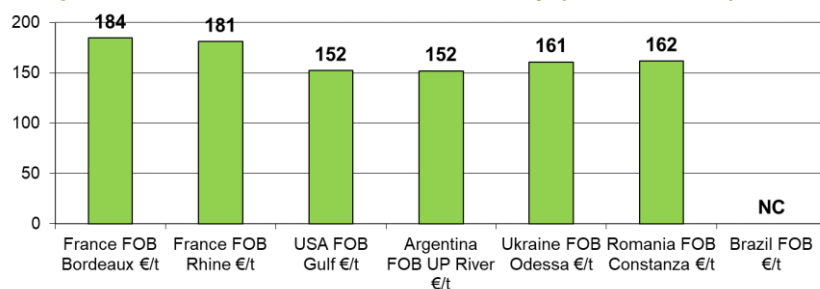
Weekly economic newsletter of the European Confederation of Maize Production

Week 6/2019

N°156

Indicators

FOB price 01/02/2019 in €/t – March delivery (2018 harvest)



	01/02	25/01
Parity €/€	1.15	1.13
Petrol \$/barrel (NY)	55.3	53.7
FOB Bordeaux* (€/t)	184	186
FOB Rhine* (€/t)	181	180

*Fob price Bordeaux/Rhine including monthly increases

WORLD: 45 Mt expected in Argentina

Despite new talks initiated last week, the US-China conflict is still not resolved. Among the information that transpired, China would have committed to increase its imports of agricultural products, especially of soybean. However, trade will only go back to normal once the Chinese import taxes are removed. Indeed, soybean prices have not changed since the announcement. Another meeting should be organised mid-February, 2 weeks before the theoretical end of the "hiatus".

The Buenos Aires Bolsa de Cereales reassessed this week its production figures upwards by 2 Mt (for a total of 45 Mt), due to good yields expected for early maize in Argentina. The end of sowings is coming closer in the country, and the organisation estimates more than 60% of acreages to be in good to very good cultivation conditions. In Brazil, around 20% of safrinha maize was sown in the states of Mato Grosso and Parana, the leading second-crop maize producers of the country. In these conditions, sowing could be completed during the optimal sowing period, contrary to what happened last year.

In the US, despite the end (or at least the temporary end) of the shutdown, recent figures for export sale and non-commercial funds on the CBOT are still not available. Concerning ethanol, production is going down this week while stock are once again increasing. In Chicago, prices have not changed much despite the talks between China and the US. The next USDA report is (in theory) planned for Friday 8 February. Expectations are high, especially regarding final US yields and US stock levels.

EUROPE: Euronext declining

The Commission is adjusting its 2018/2019 figures by increasing the provisional animal feed use by +1 Mt, for a total of 64 Mt, a level reached for the 1st time over the past 10 years. The institution is also adjusting its import levels to 20 Mt (+1.5 Mt), which is in phase with what other analysts are predicting.

Fob prices on Ukrainian origins are still going up. They have increased by more than \$12.5/t in less than a month, but exports are still going strong.

To be noted, the €/€ exchange rate significantly increased last week, coming close to 1.15, vs 1.13 on 25 January. Euronext is still going downwards on all deadlines, rating €177/t on the March 2019 deadline, vs €179.75/t a week earlier.

To be monitored:

-USDA Report

-US-China talks

-Weather conditions in South America