CORN Market

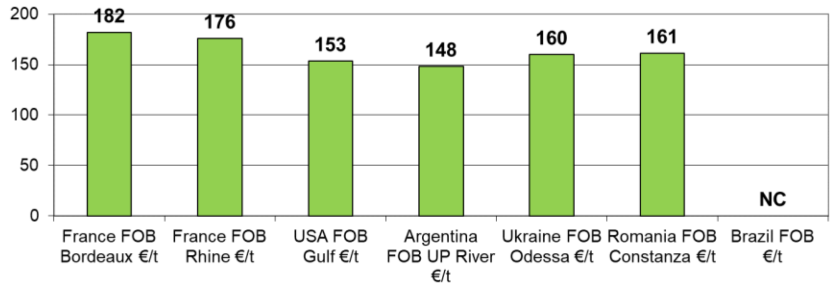
CEPM maiz'EUROP'

Weekly economic newsletter of the European Confederation of Maize Production

Week 7/2019 **N°157**

Indicators

FOB price 08/02/2019 in €/t – March delivery (2018 harvest)



	08/02	01/02
Parity €/$	**1.13**	1.15
Petrol $/barrel (NY)	**52.7**	55.3
FOB Bordeaux*(€/t)	**182**	184
FOB Rhine* (€/t)	**176**	181

**Fob price Bordeaux/Rhine including monthly increases*

WORLD: Chicago slightly down after USDA report

The USDA report published on Friday does not upset the balance of global figures. By slightly modifying production (-300 Kt) and decreasing consumption by 1.6 Mt, new global provisional stocks are established to 310 Mt, which is a slight increase compared to December but still a significant decrease compared to 2017/2018 (-31 Mt!). The stocks should for the first time reach their 2015/2016 level.
In Argentina, the USDA increases its provisional production figure to 46 Mt (higher than the BAGE figures, at 45 Mt), on the basis of an increase in acreage and high yields (83.6 q/ha vs 61.5 q/ha last year) due to generous rainfalls and good temperatures over the past two months.With such a high production level, Argentina could export 29 Mt maize, a record-high level! While the last fields are still being sown, the first harvests are planned for early March in the country. Like sowings, they will then take place over several months.
In Brazil, the safrinha sowings are still progressing, benefiting from favourable weather conditions. The Conab report to be published in February is much anticipated as it will give figures for this crop year's safrinha acreage.
In the US, 2018 harvest figures are down to 110.7 q/ha, close to last year's level. In the end, US production is now assessed by the USDA to reach 366 Mt, which is 10 Mt lower than the figures given in last September! With demand also down, the US stocks are now assessed to 44 Mt, which is 1.2 Mt lower than in December. The EIA publication shows this week ethanol uses at their lowest level since October 2017.
Prices were done in Chicago at the end of last week, after the publication of the USDA report giving the low ethanol demand. The significant decrease of Argentinian prices, due to the expected production level, should also be mentioned.

EUROPE: more than 8 Mt Ukrainian maize imported by the EU

On 3 February, total imports since 1st July 2018 have reached 14.6 Mt, of which 8 Mt come from Ukraine. The USDA is maintaining its EU provisional import total to 21 Mt for the October 2018-September 2019 crop year.
The upward trend of Ukrainian FOB prices noticed over the past few weeks is starting to reverse due to the pressure of global competition and production estimates (35.5 Mt harvested according to the USDA).
Euronext is slightly down compared to last week, rating €176.5/t on the March 2019 deadline.

To be monitored:
-Brazilian acreage
-US-China talks
-Weather conditions in South America

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