

CORN Market



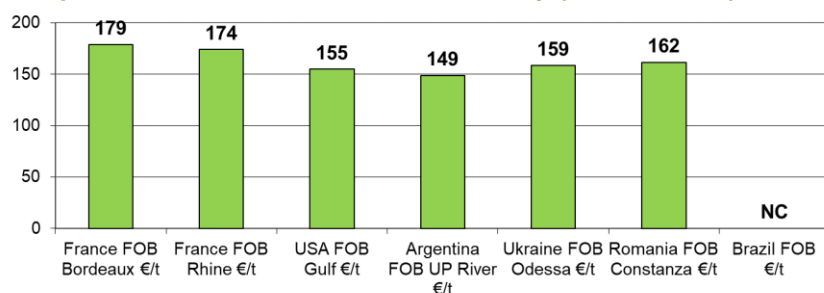
Weekly economic newsletter of the European Confederation of Maize Production

Week 8/2019

N°158

Indicators

FOB price 15/02/2019 in €/t – March delivery (2018 harvest)



	15/02	08/02
Parity €/€	1.13	1.13
Petrol \$/barrel (NY)	55.6	52.7
FOB Bordeaux* (€/t)	179	182
FOB Rhine* (€/t)	174	176

*Fob price Bordeaux/Rhine including monthly increases

WORLD: markets waiting for Friday's figures

Conab published its acreage estimates for second crop maize in Brazil. They should be 2.4% higher than last year, for a total of 11.8 Mha. With a return to "normal" yields after last year's drought, the Safra harvest is expected to reach 65 Mt. It will add itself to the Safra harvest, for a total annual production of 91.6 Mt according to Conab (94.5 Mt for the USDA). In Argentina, maize are in good growing conditions. According to BAGE, more than 50% of maize had reached flowering stage last week, and water reserves are considered to be favourable to optimal for close to 80% of surfaces.

Concerning US demand, the uses for ethanol production are picking up after the significant decrease of last week. Export figures should be updated by the USDA at the end of the week and will give more clarity to market operators for the demand levels for maize from the US. The USDA's conference on Friday is highly expected as it will notably give figures for the 2019 US maize acreage.

The US-China talks are still not over and should continue next week in the US. Despite a possible postponement of the deadline, initially set on 1st March by Donald Trump, markets seem not to be receptive anymore to politicians' hopeful announcements. Besides, the production potential of South America is weighing more and more on the markets. Non-commercial funds, while they are still net buyers, have been decreasing between 18 December and 22 January, the latest date for which figures have been published. While still waiting for Friday's announcements and publications, markets are remaining stable in Chicago compared to last week.

EUROPE: Euronext down

The trend in the EU is still the same, with imports progressing week after week. According to DG AGRI, 15 Mt maize have been imported between 1st July 2018 and 10 February 2019.

Prices are still falling in Ukraine, under the pressure of volumes to be exported and a 2019 acreage that could still increase this year according to certain analysts. In Russia, despite poor yields in 2018, the Russian Agriculture Ministry is still planning an increase in acreage.

Despite a decreasing €/€ exchange rate, Euronext prices are readjusting this week, reacting to low import prices and low wheat prices. The rate is €173/t for the March deadline, vs €176.5/t last week.

To be monitored:

-USDA forum / US acreage

-US-China talks

-Weather conditions in South America