

CORN Market



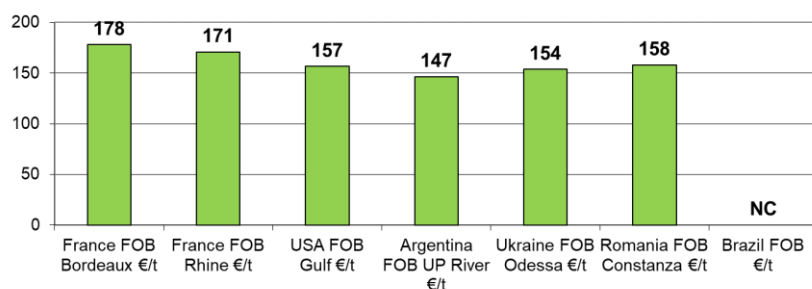
Weekly economic newsletter of the European Confederation of Maize Production

Week 9/2019

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Indicators

FOB price 22/02/2019 in €/t – March delivery (2018 harvest)



	22/02	15/02
Parity €/€	1.13	1.13
Petrol \$/barrel (NY)	57.3	55.6
FOB Bordeaux*(€/t)	178	179
FOB Rhine* (€/t)	171	174

*Fob price Bordeaux/Rhine including monthly increases

WORLD: update “post-shutdown”

In Argentina, the harvest of maize sown early is ongoing, with very good yield prospects. Half of the acreage sown in “late” varieties of maize had reached flowering on 20 February, which is the most important stage to determine future yields. According to BAGE, rainfalls are expected in the country, but the organisation describes the water reserves as insufficient, which could affect production potential. In Brazil, in the main State producing second-harvest maize, more than 85% of of maize had been sown on 22 February, largely ahead of average levels. As a reminder, an early sowing of safrinha allows an optimal management of the dry season.

The USDA published on Friday its first figures for the 2019/2020 crop year in the US, under normal weather conditions and the continuation of custom duties for Chinese imports. In terms of acreage, maize would increase (37.2 Mha) which is +3.2% higher than 2018/2019 (+1.2 Mha), gaining ground on soy (34.4 Mha), which is decreasing by 4.7% (-1.7 Mha). With the projected increase in internal uses and in exports (+1%), and despite the increase in production (+3%), end of year stocks are expected to decrease by 5% in the US compared to 2018/2019.

US sales and export figures were also updated last Friday. It shows total sales and exports for 2018/2019 of more than 38 Mt since 14 February, which is 2% higher than last year at the same date. As a comparison, figures previously published (on 3 January) were 19% ahead of the 2017/2018 levels. At the political level, President Trump postponed the increase of import duties initially planned for 1st March in the absence of an agreement.

The atmosphere is getting heavier on the markets, which had to integrate all the information published on Friday. The weight of the South-American harvest is weighing on the markets, and the US export demand is losing ground while it had been ahead of average levels in the first half of the crop year. Even if lower stocks are announced, the 2019/2020 perspectives are still heavy with a significant increase of acreage in the US due to specific political circumstances. This is translated by funds' movements, which on 5 February had released the long positions cumulated since December, before the shutdown. The CBOT has been stable, from one week to the next.

EUROPE: prices going down in Ukraine

Total imports 2018/2019 have reached 15.5 Mt, including 8.8 Mt from Ukraine. Prices continue to go down in Ukraine, in order to remain competitive on international markets and to allow exporting the production of the year.

As with the CBOT, Euronext is relatively stable compared to last week.

To be monitored:

- US-China talks
- Argentina weather forecast
- Brazil sowings

EUROPEAN CONFEDERATION OF MAIZE PRODUCTION

23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44
Square de Meeûs 21 - 1050 Bruxelles • Tél. +32 2 230 38 68