

# CORN Market



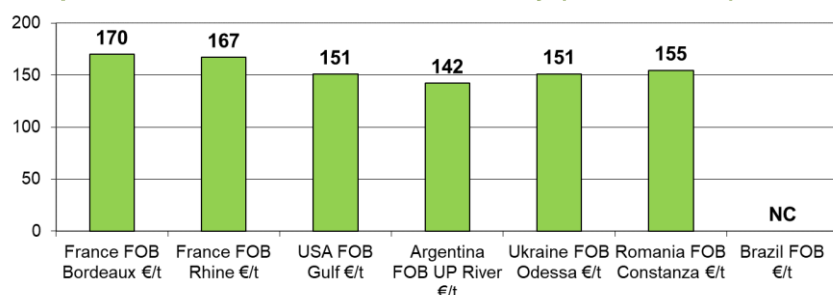
Weekly economic newsletter of the European Confederation of Maize Production

Week 10/2019

N°160

## Indicators

FOB price 01/03/2019 in €/t – March delivery (2018 harvest)



	01/03	22/02
Parity €/€	1.14	1.13
Petrol \$/barrel (NY)	55.8	57.6
FOB Bordeaux*(€/t)	170	178
FOB Rhine* (€/t)	167	171

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: when will the trade war end?

BAGE revised its crop ratings slightly downwards compared to last week (-1%) with a total of nearly 56% of maize acreage in good to very good conditions in Argentina. Rainfalls announced last week improved water reserves for maize sown the latest. In these conditions, the organisation maintains its production estimates at 45 Mt, which is 13 Mt higher than last year. In Brazil, the weather conditions are rather good for second crop maize. According to Imea, sowings are nearly over in Mato Grosso.

In the US, the usual publications have resumed. Weekly export sales are supporting factors this week, reaching 1.2 Mt. Ethanol production uses are also resuming, at a level above a million barrels per day. But demand is not enough to support prices in Chicago, which are falling on all deadlines since the publication of the load of information on 22 February. Non-commercial funds, who are now sellers, reinforce this downwards trend. Some positive signals however come concerning the trade war opposing the US and China. President Trump asked China to "immediately remove" its tariff barriers on US agricultural products, due to the good progress of ongoing talks. This announcement, should it receive a reply from China, could be the first step towards restarting the maize/soy complex. But, instead of tweets, actual decision-making is necessary to impact markets in a sustainable way.

Also worth noting since last week, a decrease of \$4.5/t on the May 2019 deadline on the CBOT. Competition on the international markets is getting stronger with the arrival of the massive and competitively-priced Argentinian production, and still significant volumes for export from Ukraine.

## EUROPE: Euronext still going down

The decrease in Ukrainian prices continue, under the pressure of volume available for exports in the country, and the more and more aggressive international competition. The country sent a total of 9.3 Mt maize to the EU since the beginning of July, which is 58% of total EU imports.

Like Chicago, Euronext is going down for the closest deadlines. The market lost €5.75/t compared to last week on the June 2019 deadline.

### To be monitored:

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