

CORN Market



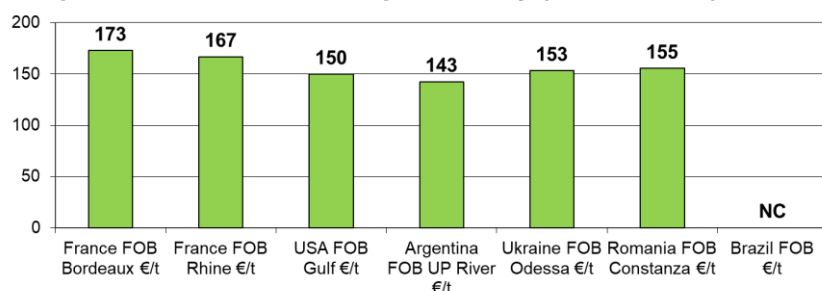
Weekly economic newsletter of the European Confederation of Maize Production

Week 11/2019

N°161

Indicators

FOB price 08/03/2019 in €/t – April delivery (2018 harvest)



	08/03	01/03
Parity €/€	1.12	1.14
Petrol \$/barrel (NY)	56	55.8
FOB Bordeaux* (€/t)	173	170
FOB Rhine* (€/t)	167	167

*Fob price Bordeaux/Rhine including monthly increases

WORLD: liquidation of funds in Chicago

The USDA report does not bring major changes to global prices, apart from the modification of the distribution of global maize exchange flows on the 2018/2019 crop year. While Argentinian FOB prices of maize decrease in the expectation of a huge harvest, the US origin loses its competitiveness. The USDA lowered its US exports provisional figures of more than 2 Mt (60.3 Mt) to the benefit of Argentina (+1 mt for a total of 30 Mt, a record!) but also of Ukraine (+0.5 Mt for a total of 29 Mt, also a record).

In the US, the 2018/2019 demand is revised downwards with lower ethanol uses and exports. The end of year stocks therefore gain 2.5 Mt to reach 46.6 Mt. This is still 8 Mt lower than last year's level.

Regarding production, new rainfalls fell on Argentina, improving the state of maize sowed the latest. Sowings keep on progressing in Brazil, and are even nearly over in some states.

Weekly US export sales are down this week to reach 970 Kt. US ethanol uses are stable compared to last week but stocks gain more than 2%.

Chicago markets have been falling since the start of last week, under the pressure of global competition and massive sales of non-commercial funds. On 5 March, they had sold 177 000 lots, a level which had not been reached since January 2018. Regarding the trade war, no major news has been announced since last week.

EUROPE: maize acreage gains 400 Kha in the EU

The USDA is now assessing EU imports from October 2018 to September 2019 to 21.5 Mha (+0.5 Mt compared to last month). The Commission published its first estimates for the 2019/2020 crop year and anticipates an increase of 400 Kha on the maize acreage. On the 2018/19 crop year, the Commission increases again its figures for the EU production to 69 Mha (+1.5 Mt) and adjusts its animal feed consumption figures to 63 Mt (-1 Mt). On this base, stocks are expected to reach 25.9 Mt on 1st July, which is 6 Mt than last year!

The USDA is anticipating total exports of 29 Mt for Ukraine, but some operators think this figure is too high considering the international competition.

Eunext seems to be stabilising despite the CBOT evolution, maybe supported by the clear decrease of the euro compared to the dollar this week. The rate on the June 2019 deadline is €168.5/t.

To be monitored:

-US-China talks

- Weather forecast South America

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