

CORN Market



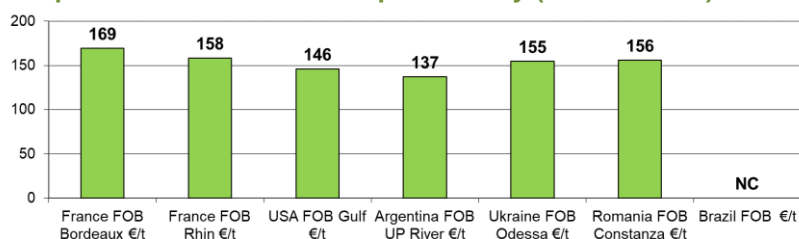
Weekly economic newsletter of the European Confederation of Maize Production

Week 16/2019

N°166

Indicators

FOB price 12/04/2019 in €/t – April delivery (2018 harvest)



	12/04	05/04
Parity €/€	1.12	1.12
Petrol \$/barrel (NY)	63.89	63,08
FOB Bordeaux*(€/t)	169	171
FOB Rhine* (€/t)	158	163

*Fob price Bordeaux/Rhine including monthly increases

WORLD : USDA confirmed!

The USDA's monthly report, released last Tuesday, only confirmed the market's expectations, and the findings communicated on March 29. The US situation is therefore confirmed with an increase in the end-of-crop year stock to 51.7 MT (46.6 MT in March). The USDA is explaining this increase in stock compared to last month by a lower feed use (- 1.9 MT).

At the global level, the USDA confirms positive trends in South America. Brazilian production is thus estimated to increase to 96 MT (94.5 MT in March) and that of Argentina to 47 MT (46 MT in March). Some operators begin to envisage a production in Brazil that could reach the symbolic threshold of 100 MT. We are of course not there yet, the months of April and May being decisive for the yields of the second crop which could weigh 70% to 75% of the total volume.

There is no doubt that competition between the different origins of the American continent will be important if the production is really as high as expected.

In this context, the USDA is revising the world stock up from last month to 314 MT (+ 5.48 MT / March). It should be reminded that China would hold 65% of this volume!

Without any real new element, prices stabilize between rising US stocks, China-US talks and still uncertain weather conditions. It will certainly be clearer in the coming weeks before all acreages are sown. For the moment, only 2% of acreage have been sown, according to the crop progress of the USDA (on 07/04), which is a normal level for the season.

EUROPE: 29.5 MT of exports for Ukraine

This is in any case the level posted by the USDA for Ukrainian exports in 2018/2019. This figure is up 0.5 MT from February, taking into account the dynamics of Ukrainian exports and the recent opportunities opening up in India. At the same time, the USDA is revising EU maize imports figures to 22.5 MT (+ 1 MT / March), a 21% increase compared to the previous crop year. It should be reminded that the current pace is up 40%! Prices on Euronext stabilized at € 167.50 / T on the June 2019 deadline.

To be monitored:

- South American production.
- China/US talks
- Sowings in Northern Hemisphere