

CORN Market



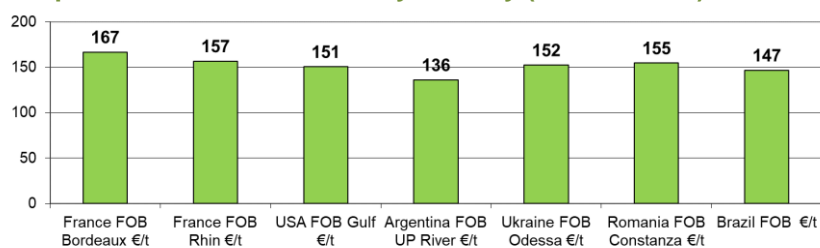
Weekly economic newsletter of the European Confederation of Maize Production

Week 19/2019

N°169

Indicators

FOB price 03/05/2019 in €/t – May delivery (2018 harvest)



	03/05	26/04
Parity €/€	1,12	1.11
Petrol \$/barrel (NY)	61,94	63,3
FOB Bordeaux*(€/t)	167	166
FOB Rhine* (€/t)	157	157

*Fob price Bordeaux/Rhine including monthly increases

WORLD : Trump continues

While over the past few weeks markets had been waiting for real progress between China and the United States, Donald Trump decided this weekend to add another layer by threatening to tax Chinese exports for an additional value of 200 billion dollars... It is always difficult to grasp the purpose of the American President's tweets, but no doubt that the message sent to market players is not the most promising. The effect was immediate since prices sharply went down in Chicago last night: - 3% for maize and - 2% for soy.

The "concrete" consequences of Donald Trump's announcements and the reaction of his Chinese counterparts will therefore be closely monitored. It should be reminded that the outcome of this conflict will be critical to the US agricultural economy as a whole, and especially to Midwestern farmers.

In the short term, this announcement seems to cancel out all of last week's increase in the US market, with maize recording 7 consecutive positive sessions. It is true that the weather conditions still hinder sowing progress with only 15% of the acreage sown on 28 April. And last week's rain across many areas of the Corn Belt is not likely to significantly improve this situation. The weather for this week remains unfavorable, drier weather being announced for next week ... accompanied by temperatures that remain cold for the season. However, for now, markets are still not too worried. It should be reminded that last year, sowings were also late (in similar proportions).

In South America, conditions are still favorable. The Bolsa de Buenos Aires has revised its production estimates upwards by 2 Mt to reach 48 Mt, anticipating a higher corn acreage linked to expectations of good yields in maize silage also (and therefore an additional 200,000 ha of transfers from silage to corn).

The USDA will release its monthly report this Friday. We will carefully monitor the first 2019/2020 report.

EUROPE: the 20 Mt mark crossed

EU imports during the week ending on 29 April amounted to 150 kt. EU maize imports thus crossed the symbolic 20 Mt mark.

Euronext prices ended the week slightly higher at € 166.75 / t (+ € 0.75 / t) on the June deadline and decreased for the November 2019 deadline (- € 1 / t to € 169.5 / t). All products and deadlines were in the red on Monday, following the US markets.

Sowings progressed in Ukraine and had reached 45% as of 2 May, compared with 52% last year at the same date.

To be monitored:

- US sowings
- US/China developments
- USDA Report on 10/05