

# CORN Market



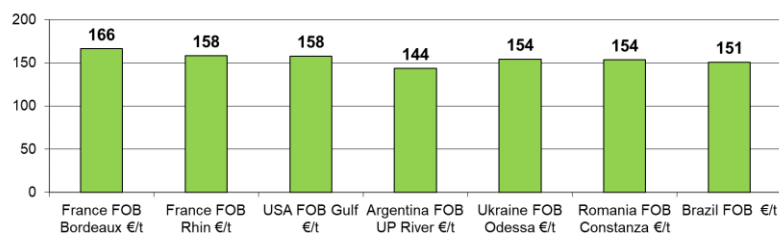
Weekly economic newsletter of the European Confederation of Maize Production

Week 21/2019

N°171

## Indicators

FOB price 17/05/2019 in €/t – May delivery (2018 harvest)



	17/05	10/05
Parity €/€	1.12	1.12
Petrol \$/barrel (NY)	62,76	61,66
FOB Bordeaux*(€/t)	166	166
FOB Rhine* (€/t)	158	156

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : US market bounces back

The US market ended the week with a sharp increase, posting its highest level in two months. Prices were up 9% over the week on the July deadline. The decline in prices following the USDA reports of late March and the China-US tensions is therefore absorbed. Operators remain very focused on the progress of maize sowings in the US, with still some disturbance linked to the rain. As of 12 May, 30% of acreages had been sown. Even if last week offered a few windows of opportunity, rain was back on key areas of the Corn Belt. The weather reports are not the most optimistic ... We will closely monitor the publication of tonight's USDA report detailing the sowings state of play up to 19 May. The progress figure should be slightly above 50%, which would make it the "latest" crop year in history, beating the "record" of 1995. It should be recalled that in 2013, the United States had experienced a comparable situation, but farmers had planted 43% of the acreage in a single week (the week corresponding to the week that ended yesterday).

In this context, the US / China soap opera seems to be put on the back burner, at least regarding maize.

The funds should play a significant role in the coming days. Their long position remains unchanged on 14 May to 283,000 lots. Their position should certainly decrease in light of the movements of the past few days. The CFTC's report to be published tomorrow will give more details. Such a position is likely to bring a lot of volatility in the coming days if the funds proceed to major repurchases ! To be continued.

## EUROPE: prices down for old harvest and up for new harvest

Prices on Euronext resumed this week for the November deadline, closing the week with € 170.5 (+ € 4 / t), in the wake of worries about the US harvest. For the old harvest, prices retreated to €162 / t on Friday, their lowest level since the opening of the deadline. In the short term indeed, there are high levels of maize availability with both Ukrainian maize, and the arrival of crops from South America. In parallel, forecasts remain promising for straw cereals throughout the European continent, and in particular on the Black Sea. For the time being, the gap in wheat / maize prices is expected to be lower than in the past crop year, with lower attractiveness of maize for animal feed expected.

### To be monitored:

- Weather and sowing on Corn Belt.
- Position of the funds.
- Development of European crops.