

# CORN Market



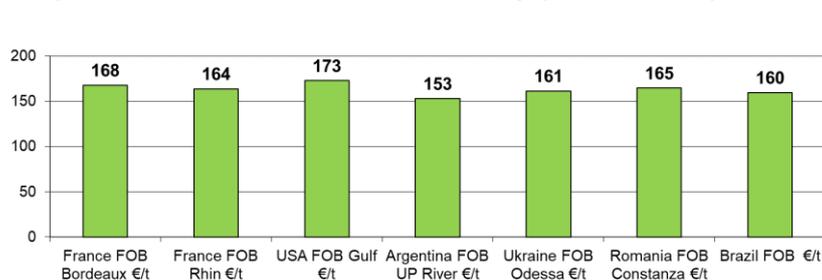
Weekly economic newsletter of the European Confederation of Maize Production

Week 23/2019

N°173

## Indicators

FOB price 31/05/2019 in €/t – June delivery (2018 harvest)



	31/05	24/05
Parity €/€	1.12	1.12
Petrol \$/barrel (NY)	53,50	58,63
FOB Bordeaux*(€/t)	168	167
FOB Rhine* (€/t)	164	163

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD : prices still on the rise in Chicago

Tuesday's Crop Progress was not really likely to reassure the market with only 59% of sowing completed on 26 May. With regard to the weather conditions of the week, observers estimate that about 10% of additional surfaces could have been sown. Therefore a little more than 30% of acreages remain to be sown on 2 June ! Questions on the real final US acreage remains whole. It is true that the recent rise in prices and the emergency aid announced by the White House (as a reminder, decoupled subsidies paid per hectares of arable crops sown in 2019) are likely to postpone as much as possible the dates of sowing or transferring sowing intentions to soybeans. The impact on the average US yield is also unknown. For some observers, the two factors combined could penalize US production by 10%.

Non-commercial funds continue to buy positions back, and sharply reduce their short positions. As of 28 May, they were only 20,736 lots. In the space of two weeks, the funds bought back 262,182 contracts! From 28 May onward, their position would be long, for the first time since early February.

These factors once again pushed US prices higher during the week. The July deadline increased by over 5% over the week (and 17.7% over the month of May). On the most distant dates, the observation remains the same, with an increase of 5.7% on the December deadline.

In this context, information from other production areas is relegated to the background. The prospects for Safrinha in Brazil are still promising. However, new announcement by Donald Trump which target Mexican imports could be likely to break the upward trend of the recent weeks.

## EUROPE: increase on all deadlines

The US situation now seems to have a greater impact on European prices for both wheat and maize. All deadlines increased over the week, with the largest increase being attributed to the August contracts (+ € 10.5 / t to reach € 171), and certainly also for technical reasons considering the closing of the June deadline. For the new harvest, Euronext November increased by € 5.75 / T to reach 177.5 € / T.

The weather conditions in Russia are a bit dry but do not question the potential of the crops for the time being. In view of the American situation, the production of the Black Sea area will be all the more important for the evolution of the cereals market as a whole.

Maize sowings are now 99% complete in Ukraine.

### To be monitored:

- American weather.
- US / Mexico follow-up.
- Prospects for straw cereals in Europe.