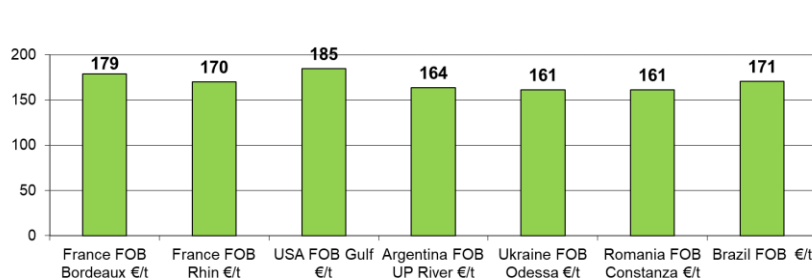


Week 25/2019

N°175

Indicators

FOB price 14/06/2019 in €/t – June delivery (2018 harvest)



	14/06	07/06
Parity €/€	1,13	1.13
Petrol \$/barrel (NY)	52,51	53,26
FOB Bordeaux*(€/t)	179	179
FOB Rhine* (€/t)	170	169

*Fob price Bordeaux/Rhine including monthly increases

WORLD : Corn at its highest in 5 years in Chicago

Following the release on Monday 11th of the USDA's June report, corn prices in Chicago rose sharply. Recognising seedling difficulties due to exceptional weather conditions in the Corn Belt, the USDA has readjusted its yield forecasts (-6.3qx / ha) and sown acreage (-1.2Mha) resulting in a lower forecast of 34.3Mt for the 2018/2019 crop year. These forecasts could further deteriorate at the end of the month due to persistent bad weather (coolness and rain). In addition, some analysts have pointed out the conservative USDA's approach to sown acreage. These could drop significantly when the June 28th final report on sown acreage is released.

In the wake of these announcements, the maturities in Chicago have experienced a strong increase. From 11/06 to 17/06, prices rated \$ 13 / T in the July deadline, an increase of 7.7% over the week. The increase is similar, if not higher, on the new harvest deadlines. These are the highest levels since 2014. Non-commercial funds continue to support this increase with a further net increased of currently 111,000 lots (on 11/06).

In South America, harvests are at record high. According to Conab, Brazil confirms its second highest historical harvest with a total expected production of 97Mt (+ 20% compared to 2017/2018) including 70.7Mt for the second harvest, mainly dedicated to export. In Argentina, as of June 12th, 42% of the area was harvested, a slight decrease compared to 2017/2018 due to weather conditions. The country should also experience a record production of 49Mt according to the USDA (+17Mt compared to 2017/2018, amounting to an increase of 52%). The Rosario Grain Exchange is even considering a harvest exceeding the 50Mt mark.

EUROPE: A more limited increase in Europe

Euronext deadlines follow the US increase in a more limited manner with an increase of € 0.5 / T between 11/06 and 17/06 on the August deadline at € 176.5 / T and an increase of € 2.25 / T on the November deadline to 175.75 €.

This more moderate increase can be explained by the good harvest forecasts for straw cereals and maize across the European continent.

According to Stratégie Grains, European maize production for 2018/2019 is estimated at 61.7Mt (+ 2Mt compared to 2017/2018). For the 2019/2020 crop year, the surface area should reach 8.7Mha, an increase of 0.4Mha compared to 2018/2019. Production is estimated to rise by 1.7Mt amounting to 63.4Mt.

To be monitored:

-Final US acreage.