

CORN Market



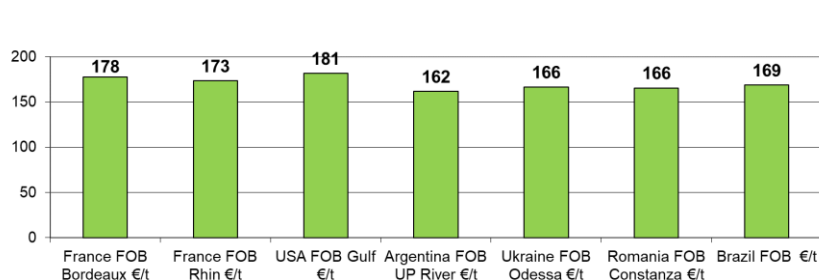
Weekly economic newsletter of the European Confederation of Maize Production

Week 26/2019

N°176

Indicators

FOB price 21/06/2019 in €/t – June delivery (2018 harvest)



	21/06	14/06
Parity €/€	1,13	1.13
Petrol \$/barrel (NY)	57,4	52,51
FOB Bordeaux*(€/t)	178	179
FOB Rhine* (€/t)	173	170

*Fob price Bordeaux/Rhine including monthly increases

WORLD : decrease in Chicago

After the peak of 17/06, following the release of the USDA's June report, corn prices in Chicago for all deadlines have declined, but remain at a fairly high level. On the July deadline, from 17 to 21 June price have lost \$4.7 / T at \$174.1 / T. On the December deadline, for the same period, there is a \$5.9 / T loss at \$178.4 / T.

However, the context should continue to support prices. Weather conditions (rains and cool weather) are still there and sown areas should be downgraded in the USDA's 28 June spring sowing report. A further decline in the estimated acreage is expected at the end of summer to account for the areas affected by the "prevented planting". Analysts estimate that yields forecasts could also expect a further decrease of up to 8 quintals per hectare considering poor cultivation conditions (59% good to very good compared to 88% last year at the same date) and the significance of late sowing.

As of 19 June, after the release of the USDA's June report, non-commercial funds increased their long position to 143,000 contracts (+32,000 compared to 12/06).

In South America, harvests are in progress. The Argentinian harvest is 44% done but is delayed by heavy rains. 12% of the second Brazilian harvest have already been harvested.

The weekend is full of significant trade events. The G20 summit in Japan on 28-29 June is expected to lead to bilateral China-US talks, particularly on trade tensions. The US Congress is also expected to vote on the USMCA, the new North American Free Trade Agreement (Mexico, United States, Canada).

EUROPE: quiet week in Europe

Euronext was stable last week. From 17/06 to 21/06, the August deadline loses €1.5 / T to €175.75 / T. Over the same period, the November deadline lost €1.5 / T to €176.25 / T.

According to the June crop surveillance bulletin from the European Commission, corn yields are expected to increase by 1.3qx / ha this year (+ 5.7% compared to the five-year average). The yields forecast of most of the main European corn producers are close to the five-year average with the exception of Romania with 43.9qx / ha (+ 4.1% compared to its five-year average).

In Russia, drought is impacting the south of the country. This situation could eventually spread to Ukraine.

To be monitored:

- China / USA talks
- USDA report on sown areas