

CORN Market



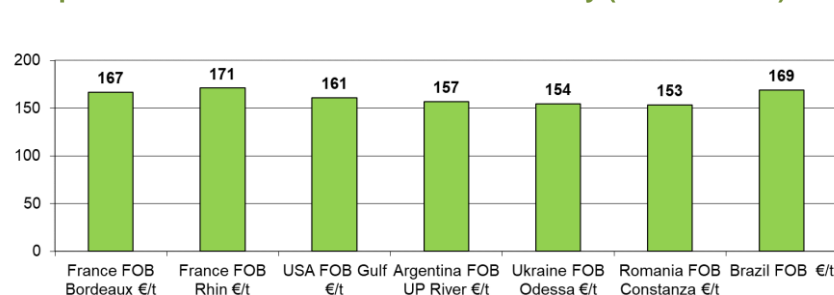
Weekly economic newsletter of the European Confederation of Maize Production

Week 49/2019

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Indicators

FOB price 29/11/2019 in €/t – December delivery (2019 harvest)



	29/11	12/11
Parity €/€	1,10	1,11
Petrol \$/barrel (NY)	55,2	57,7
FOB Bordeaux* (€/t)	167	167
FOB Rhine* (€/t)	171	168

*Fob price Bordeaux/Rhine including monthly increases

WORLD: new hurdles for the US-China deal

From 22/11 to 29/11, the December deadline in Chicago gained \$ 1 / T to reach \$ 146 / T. The start of the week in Chicago was complicated by the promulgation by D.Trump of a law supporting demonstrators in Hong Kong, causing the fury of China. And the date of 15 December, when the future tariff increase on Chinese products is supposed to be implemented, is approaching. In this context, the prospect of a China-US trade deal is moving further and further away. However, weekly exports figures and ethanol production led to an increase in prices at the end of the week. Indeed, the exports of the previous week reached 807 Kt, a figure exceeding the operators' expectations. Likewise, as in the past two months, weekly ethanol production increased compared to the previous week with 1.1 million barrels / day while storage decreased by 2% compared to 15/11. The US harvest continues. It has been completed at 84% , but there are still significant delays on the northwest Corn Belt.

In Brazil, well-distributed rains have improved the soybean situation. 79% of acreages had been sown on 26/11, with a slight delay compared to the five-year average. However, some southern states are still experiencing a greater delay in sowing (Rio Grande do Sul, Mato Grosso do Sul ...).

In Argentina, producers are concerned about the entry in office of A. Fernandez, on 10 December. The future President has so far remained vague about his agricultural policy but he could raise export taxes. In this context, export sales have been sustained in recent weeks. On 27/11, early sowing had been done at 74% compared to 80% on average over 5 years. The late sowing phase will begin afterwards. As of 27/11, 53% of sown maize is in good to excellent conditions compared to 47% on 20/11. Rains in the center of the country have improved soil moisture but a deficit is still present on the west and south.

EUROPE: upwards revision for European production

In its November assessment, the European Commission estimates EU maize production at 67.1 Mt, up by 500 Kt from October. This seems surprising considering that many analysts estimate the European harvest around 64 Mt. Similarly, the imports figure, with 17 Mt, has not been revised upward yet, while their pace is still sustained. As of 24/11, the EU had imported 8.1 Mt vs 5.4 Mt on average at the same time in the last 3 years. Uses remaining unchanged, the 500 Kt increase in production being allocated to the carryover stock, which is estimated at 22.2 Mt.

In Ukraine, the harvest is ending (97% done on 27/11). Exports, which are already quite sustained, should go over 3 Mt per month for the coming months.

To be monitored:

- US harvest
- Developments in Argentina