

CORN Market



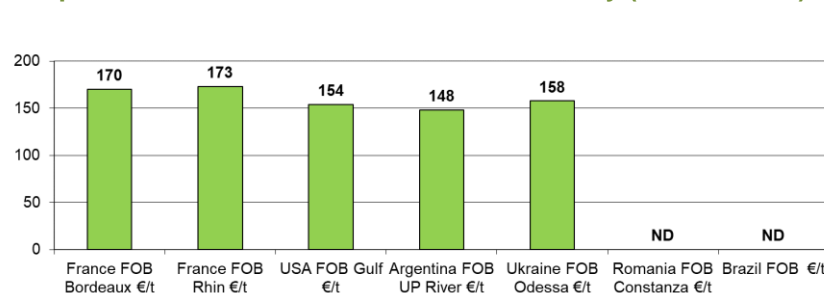
Weekly economic newsletter of the European Confederation of Maize Production

Week 11/2020

N°209

Indicators

FOB price 06/03/2020 in €/t – March-June delivery (2019 harvest)



	06/03	28/02
Parity €/€	1,13	1,10
Petrol \$/barrel (NY)	41,3	44,8
FOB Bordeaux*(€/t)	168,5	170
FOB Rhine* (€/t)	173	173

*Fob price Bordeaux/Rhine including monthly increases

WORLD : High volatility of world prices

From 28/02 to 06/03, the May maturity gained \$3 /t in Chicago to stand at \$148 /t. This is hiding a high volatility of prices due to the coronavirus epidemic. The Fed lowered rates last week and should announce new actions this week to support the markets and the U.S. economy. On the other hand, the oil producers, OPEC and Russia, failed to reach an agreement and embarked on a price war, causing a drop of nearly 25% in crude oil prices on Monday. These various elements make prices very unstable. Net export sales from the USA reached 769 Kt last week, towards the lower end of operators' expectations, while ethanol production remains at a high level. Ethanol stocks are approaching 25 million barrels.

In Brazil, as of 1st March, 67% of the safrinha maize had been sown vs 63% on average over the last 5 years and vs 79% the previous crop year. The rest of the safrinha maize will essentially be sown after the ideal sowing window and will face more risk of climatic hazards at the end of the cycle.

In Argentina, 3% of maize had been harvested by 05/03. The country is experiencing a new wave of drought that is mainly affecting late maize during grain filling. As a result, crop conditions have been reassessed downwards this week, with 50% of maize in "good to excellent" conditions compared to 59% last week. In addition, Argentinean producers are protesting against the government's decision to increase export taxes on soybeans from 30% to 33%. A four-day strike on grain and soybean sales was declared last week. If the conflict escalates, it could affect the maize export campaign that begins this March.

EUROPE: €/€ parity on the rise

Between 28/02 and 06/03, prices on Euronext for the June maturity fell by €1 /t to reach €167.75 /t. Once again, this movement is hiding a certain volatility in prices.

As a result of the Fed's actions and the coronavirus epidemic, the euro has risen against the dollar in recent days and €1 is trading against \$1.13 on 06/03.

EU imports on 01/03 reached 14.4 Mt vs 11.6 Mt on average on the same date over the last 3 years and 16.3 Mt during the previous crop year.

To be monitored:

- USDA Report

- 'Stratégie Grains' Report