CORN Market
CEPM maiz'EUROP'
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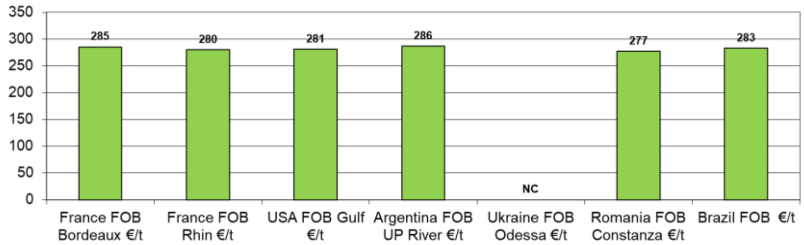
Indicators

FOB prices 20/01/2023 in €/t – January-March delivery (2022 harvest)



	20/01	13/01
Parity €/$	**1,08**	1,08
Petrol $/barrel (NY)	**81,3**	80
FOB Bordeaux*(€/t)	**285**	285
FOB Rhine* (€/t)	**280**	281

**Fob price Bordeaux/Rhine including monthly increases*

WORLD: Production decline in Argentina

From 13/01 to 20/01, prices for the March delivery in Chicago remained relatively stable at around $266/t. After a rise linked to the last USDA report, the American prices lost some ground at the end of the week because of reassuring rains on Argentina.
Good US demand figures last week did not reverse the momentum in Chicago. Export contracts exceeded traders' expectations with 1.132 Mt, the highest in 2 months, while ethanol production passed the one million barrels per day level, its highest since mid-December and the intense cold spell that slowed production then.
Chinese demand is also reassuring for international markets. Imports are increasing at the beginning of the year and the government announced that the pig herd was up 7% in December compared to December 2021. Chinese pig production is at its highest level in eight years, but the authorities are seeking to curb this dynamic, which is weighing on prices.
In its January report, for the 2022/23 crop year, and compared to its last report in November, the IGC forecasts a drop in world production of 5 Mt (1161 Mt) due to adjustments in Europe and Argentina, a drop in world consumption of 2 Mt (1181 Mt) and a drop in world stocks (254 Mt). These would be the lowest for 10 years, reflecting the tense state of the world maize market fundamentals.
In Argentina, after the Rosario grain exchange, it is the Buenos Aires grain exchange that is drastically revising its production projection for the current season. Because of the water deficit and heat waves, it has been revised downwards by 4.5 Mt (44.5 Mt). If the situation does not improve for late maize, it could fall below 40 Mt. On 19/01, only 5% of Argentine maize was in "good to excellent" conditions. The rains at the end of last week should benefit the late maize and others are expected this week. The rains have also enabled the last sowings to progress: 89% of maize has been sown, compared with an average of 92% at this time.
In Brazil, the rains are still limiting the sowing of safrinha maize. Exports in January are expected to reach a record level of 5.2 Mt, mainly due to Chinese demand.

EUROPE: Putin blows hot and cold on grain markets

Putin is again blowing hot and cold on agricultural markets by publicly stating that Russian food prices need to be stabilised and implying that grain exports need to be better controlled. However, his Minister of Agriculture has estimated that Russian grain exports should reach 60 Mt for the season, which suggests that no new measures, quotas or taxes, will be implemented in the short term.
In Ukraine, 87% of the maize area has been harvested.

To be monitored :
-War in Ukraine
-South American weather
-EU balance sheet