

# CORN Market



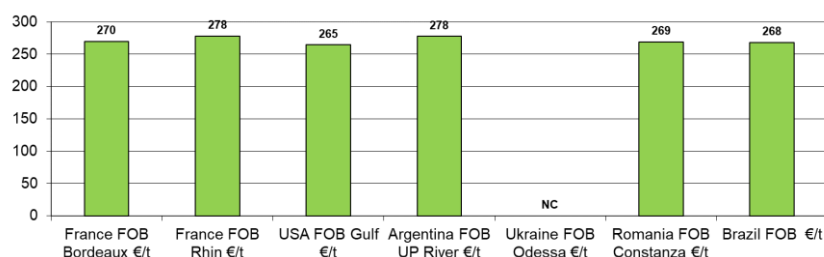
Weekly economic newsletter of the European Confederation of Maize Production

Week 11/2023

N°338

## Indicators

### FOB prices 10/03/2023 in €/t – April-June delivery (2022 harvest)



	10/03	03/03
Parity €/€	1,06	1,06
Petrol \$/barrel (NY)	76,7	79,7
FOB Bordeaux* (€/t)	270	281
FOB Rhine* (€/t)	278	295

\*Fob price Bordeaux/Rhine including monthly increases

## WORLD: Risk of a banking crisis in the United States

From 03/03 to 10/03, prices for the May delivery in Chicago lost \$9/t to reach \$243/t. This new strong fall is linked to the publication of a USDA report considered bearish by the operators and to the strong worries because of the bank failures in the United States.

Indeed, two Silicon Valley banks, linked to the technology sector, went bankrupt at the end of last week due to their lack of cover against the rise in interest rates in the United States. The US financial authorities announced that deposits would be guaranteed, but concern has spread throughout the markets for fear of contagion to the rest of the economy. This concern is expected to continue to cause significant volatility this week.

Prices in Chicago also fell due to a USDA report that was considered bearish for maize. At the world level, for the 2022/23 crop year and compared to February, stocks have been revised upwards by 1 Mt (297 Mt), beyond the expectations of operators. World maize production and consumption were revised downward by 4 Mt (1148 Mt) and 3 Mt (1157 Mt) respectively.

In terms of the U.S. maize balance sheet, the USDA estimated a decrease of 2 Mt (47 Mt) in exports, given the low levels observed at the beginning of the crop year, which led to an increase in carryover stocks of 2 Mt (34 Mt), well beyond the expectations of operators.

In the United States, last week, export contracting reached 1.4 Mt, beyond operators' expectations, while ethanol stocks rebounded above 25 million barrels. The drop in oil prices, given the ongoing banking crisis, could affect US ethanol production in the short term.

In Brazil, CONAB has revised upwards the area of safrinha maize very slightly. Last week, 70% of safrinha maize was planted compared to 80% at this time last week. Planting remains very late in the Center-South.

In Argentina, the USDA revised its production projection for the current crop year very sharply downward, -7 Mt (40 Mt), compared to last month. This still seems too optimistic given the weather conditions. The Buenos Aires Grain Exchange has revised downwards once again its production projection to 37.5 Mt (-4.5 Mt). It could again deteriorate in the future, only 2% of maize was considered in "good to excellent" conditions last week due to a new heat wave.

## EUROPE: Russian diplomatic threats

Russia renewed its diplomatic threats a few days before the Ukrainian maritime corridor expires, judging that the agreement has been "only half implemented" and that the facilitations of Russian fertilizer and grain exports were insufficient. However, traders remain relatively confident that the corridor will be renewed for another 4 months at the end of the week.

In its March report, compared to February, the USDA revised upward Ukrainian maize exports for the current crop year by 1 Mt (23.5 Mt).

### To be monitored :

- War in Ukraine
- IGC Report