

CORN Market



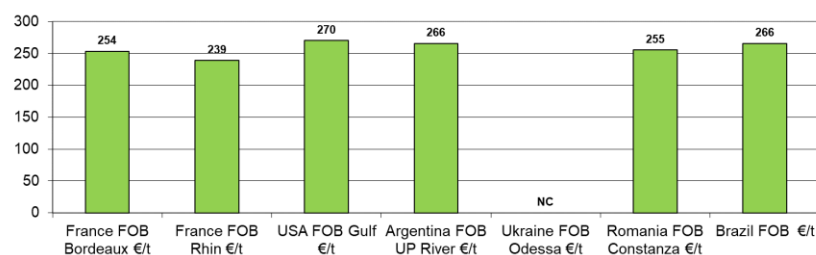
Weekly economic newsletter of the European Confederation of Maize Production

Week 16/2023

N°343

Indicators

FOB prices 14/04/2023 in €/t – April-June delivery (2022 harvest)



	17/04	10/04
Parity €/€	1,11	1,09
Petrol \$/barrel (NY)	82,5	79,8
FOB Bordeaux*(€/t)	253,5	263
FOB Rhine* (€/t)	239	242

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Chinese purchases in new campaign

From April 7 to 14, the price of May delivery in Chicago rose about \$9/t to \$262/t. The rise of maize in Chicago is due to the first Chinese purchases for the next crop year as well as to the fall of the dollar and the Russian threats on the Ukrainian export corridor. Last week, US export contracts reached 528 Kt, at the bottom of traders' expectations. However, it was new Chinese purchases that pushed US maize higher. Indeed, China has contracted the purchase of more than 700 Kt of American maize, including more than 250 Kt for the 2023/2024 crop year, marking the first Chinese purchases for the next crop year. These purchases are seen as positive signals as to the level of Chinese demand in the medium term. Chinese maize prices in Dalian, although at their lowest level for 8 months, remain at a high level which means that imported maize remains competitive on the local market. In addition, US maize prices are being supported by the fall in the dollar, linked to the expectation of a slowdown or even a halt in key rate rises in the United States due to the slowdown in inflation.

Ethanol production fell back last week to below one million barrel per day. Inventories remained stable at a high level, slightly above 25 million barrels.

The USDA's April report was considered relatively neutral for maize.

The US balance sheet for the current crop year remained broadly stable compared to March where traders were expecting a slight downward revision of stocks (35mt) due to export activity to China in March. At the world level for the current crop year and compared to March, production has been revised down by 3 Mt (1144 Mt), consumption remains stable (1156 Mt) and stocks are revised down slightly by 1 Mt (295 Mt), slightly below operators' expectations.

In Brazil, rainfall is below normal but remains significant. President Lula, on a visit to China, is seeking an agreement with the importer and state-owned company COFCO in order to finance its programme to cultivate degraded pastures (30 million ha) to limit deforestation. In Argentina, as of 12 April, 10% of maize had been harvested and yields were struggling to exceed 40 q/ha. The Rosario Stock Exchange has again revised downwards its projection of 3 Mt, to 32 Mt against 55 Mt initially expected.

EUROPE: Tensions on Ukrainian exports

Tensions over Ukrainian imports escalated over the weekend in the eastern EU. Although an agreement was reached to ensure that Ukrainian goods are in transit in neighbouring countries and less destabilising to local markets, Poland and Hungary decided to ban Ukrainian imports. Bulgaria has announced that it intends to join the movement. This has angered the European Commission, as the EU's trade policy is its responsibility. Meanwhile, Russia has announced that it will not renew the agreement on Ukrainian exports on 18 May without greater trade facilitation for its products. It is slowing down ship inspections in Istanbul.

To be monitored :

- War in Ukraine
- IGC Report