

CORN Market

CEPM
maizEUROP

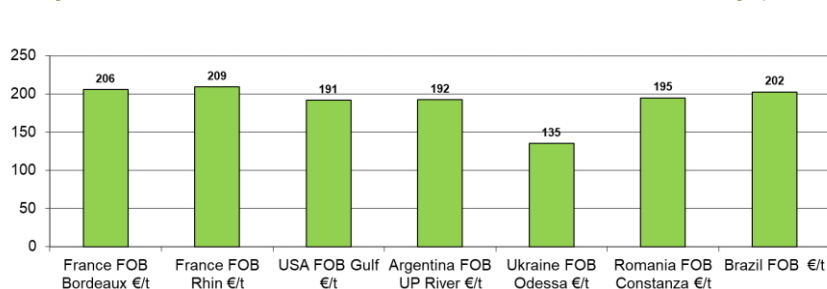
Weekly economic newsletter of the European Confederation of Maize Production

Week 48/2023

N°369

Indicators

FOB prices 24/11/2023 in €/t – November-December delivery (2023 harvest)



	24/11	17/11
Parity €/€	1,09	1,09
Petrol \$/barrel (NY)	75,5	75,9
FOB Bordeaux* (€/t)	206	204
FOB Rhine* (€/t)	209	209

*Fob price Bordeaux/Rhine including monthly increases

WORLD: What is China's demand for corn?

From 17/11 to 24/11, the price of December delivery in Chicago fell by \$5/t to \$182/t, pushed down by rain in central Brazil.

In the United States, 93% of maize had been harvested by 19/11, compared with an average of 91% by that date. The latest harvests are mainly in the north-western part of the Corn Belt.

At in addition 1.4 Mt last week, export contracts for US maize were at the top end of operators' expectations. There were 70 Kt of Chinese purchases, confirming the good competitiveness of American maize in Asia. The exact level of Chinese demand remains uncertain, however, as local maize production has been affected by the vagaries of the weather to a greater extent than the authorities have indicated, and the country is undergoing a marked economic slowdown. Pork production, in particular, is in surplus, which is causing pork prices to fall and could eventually affect food consumption. Against this backdrop, we will be watching Chinese corn purchases over the coming weeks, as the end of the year is a traditional hedging period for Chinese FABs, ahead of the Chinese New Year festivities in February.

Last week, in the United States, ethanol production fell back and stocks rose sharply. Traders will be keeping a close eye on next week's OPEC+ meeting. The main oil-producing countries are due to decide on further production cuts to maintain oil prices.

In Brazil, rain has fallen in the centre of the country and more is expected. This has eased the pressure on sown soybeans and should make the final sowings easier. However, the delays will have an impact on safrinha maize sowings, which will inevitably be delayed, with the risk of facing a greater risk of drought later in their cycle.

In Argentina, late sowing of maize should begin in the next few days. Producers are holding back sales in anticipation of the inauguration of President Milei on 10/12. He has promised to abolish export taxes.

EUROPE: The euro rises against the dollar

The euro has risen against the dollar in recent weeks. This is due to a stronger-than-expected slowdown in inflation in the United States, raising hopes of a faster-than-expected fall in interest rates, although no such signs are yet visible in the EU. This puts European cereal exports, including French maize, at a disadvantage, while favouring imported cereals, including Ukrainian maize.

As at 21/11, the EU had imported 6.6 million tonnes of maize, compared with an average of 7.8 million tonnes at that date.

The approaches to the port of Odessa in Ukraine have been disrupted by the weather. While several port infrastructures have been damaged by Russian attacks in recent weeks, the EU has announced additional funding of €50 million for their reconstruction.

To be monitored:

- War in Ukraine
- OPEC+ meeting
- EU report

EUROPEAN CONFEDERATION OF MAIZE PRODUCTION

23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44
Square de Meeûs 21 - 1050 Bruxelles • Tél. +32 2 230 38 68