

CORN Market



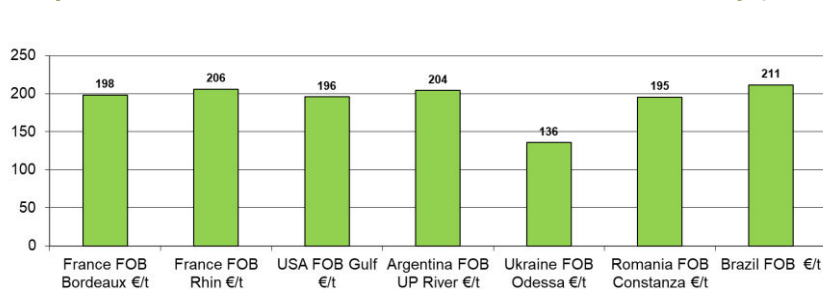
Weekly economic newsletter of the European Confederation of Maize Production

Week 49/2023

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Indicators

FOB prices 01/12/2023 in €/t – November-December delivery (2023 harvest)



	01/12	24/11
Parity €/€	1,09	1,09
Petrol \$/barrel (NY)	74,1	75,5
FOB Bordeaux* (€/t)	198	206
FOB Rhine* (€/t)	206	209

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Acceleration in US corn exports

From 24/11 to 01/12, the price of March delivery in Chicago rose by \$1/t to stand at \$191/t, buoyed by good export figures.

At over 1.9 Mt last week, export contracts for US maize exceeded operators' expectations and supported prices. This was due in particular to purchases from China (131 Kt) as well as Taiwan and Japan. This competitive position in Asia is enabling US exports to recover, which is necessary to achieve the USDA's projection for 2023/24

(53 Mt) and thus avoid a further increase in US stocks. Despite the deepening crisis on the pork market, China remains active on the market, with purchases from Ukraine exceeding 2 Mt in December.

US ethanol production also remains buoyant. Announcements by OPEC+, which intends to step up its production cuts, were not enough to push up the price of a barrel of oil. Operators are also monitoring the deterioration in relations between Venezuela and Guyana, two oil producers.

In Brazil, the rains continued to fall in the centre of the country, easing the pressure on soya planting. Sowing is behind schedule, with 75% sown by early December compared with an average of 87% by this date. Temperatures remain warmer than normal.

In Argentina, late sowing of maize has begun. This has risen by 6 points in one week, reaching 32% on 30/11. The economic measures planned by Javier Milei could eventually encourage the sowing of soya, which is currently heavily taxed, but could also bring about a change in sales strategies by allowing the peso to float freely or even by dollarising the Argentine economy.

Non-commercial funds currently have a record net short position at this time of year. This is leading to short covering operations, which are currently taking place on an ad hoc basis, but which could become more massive in the event of a change in fundamentals.

EUROPE: Easing of tension between Ukraine and its European neighbours

In Ukraine, logistics remain tricky due to the recent snowstorms. Exports via Odessa are accelerating, with more than 2 Mt in November, due in particular to the agreement reached with insurers. This has helped to boost the price of Ukrainian maize, which nevertheless remains extremely competitive with the EU.

There has also been a lull in relations between Ukraine and its neighbours. A protocol has reportedly been reached with Poland to lift road blockades at the border, and Bulgaria has agreed to lift its import bans following the introduction of an export licensing system. Slovakia, on the other hand, has extended its import ban to include additionally agricultural products.

The European Commission has made few changes to its November balance sheet compared to last month. For the 2023/24 marketing year, imports are still projected at 20 Mt and final stocks at 19 Mt.

To be monitored :

- War in Ukraine
- USDA report

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