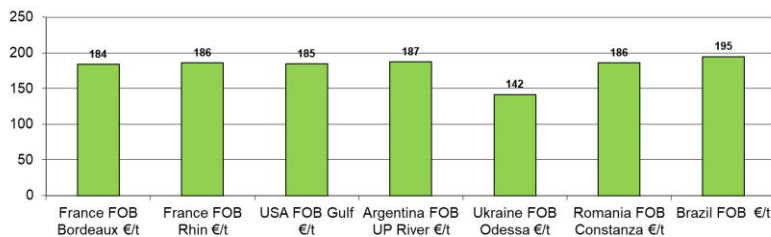


Week 6/2024

N°377

Indicators

FOB* prices 02/02/2024 in €/t – February-March delivery (2023 harvest)



	02/02	26/01
Parity €/€	1,09	1,09
Petrol \$/barrel (NY)	72,3	78,01
FOB Bordeaux*(€/t)	184	191
FOB Rhine* (€/t)	196	197

*CPT price for Odessa

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Heatwave in Argentina

Between 26/01 and 02/02, the price of March delivery in Chicago fell by \$2/t to \$174/t.

Despite some technical buybacks at the end of January, non-commercial funds are maintaining a very large net short position in Chicago maize and agricultural commodities in general. This is a situation to monitor as February is a critical month for the harvest outlook in South America, and for the initial trends in US acreage that will come out at the end of the month.

Last week in the United States, export contracts for American maize reached 1.2 million tonnes, at the top end of traders' expectations. After a damaging cold snap, ethanol production in the USA is gradually returning to normal.

In Argentina, J. Milei has to contend with the absence of a parliamentary majority. His economic reform bill is being amended, and local operators are keeping a close eye on the future of the export tax on maize, which he wanted to raise from 12% to 15%. With 34% of the maize crop blooming, the production zone is experiencing a heatwave, with temperatures above 40°C last week. The situation is set to maintain this week, but rain is also expected. Yield potential is likely to be affected, but this will not call into question the very good production prospects to date.

In Brazil, by 29/01, 10% of safrã (full-season) maize had been harvested, a figure similar to the average. At the same date, 10% of safrinha maize had been sown, compared with an average of 7%. Intense rain is expected this week in the Centre-West, which should slow down the soya harvest and the sowing of safrinha maize. The CONAB report should provide more details on the expected drop in acreage in Brazil, while South American maize production data will be scrutinised in the USDA's February report.

In China, the New Year holiday period is starting, which should slow down purchases of agricultural commodities and economic activity in general. The country has also signed an agreement allowing imports of Argentinian wheat, following a similar agreement for maize in 2023.

EUROPE: New aid for Ukraine

The EU Member States have agreed on a new €50 billion aid package for Ukraine. The European Commission has proposed the renewal of liberalisation measures with Ukraine without including cereals in the safeguard measures, despite requests to do so.

In 6 months of operation, the Ukrainian maritime corridor has enabled the export of more than 20 million tonnes of agricultural products. In recent weeks, exports have been concentrated in the EU because of the problems in the Red Sea, increasing the pressure on European cereal prices.

To be monitored:

- War in Ukraine
- USDA Report
- Brazilian acreage