

CORN Market

CEPM
maiz'EUROP

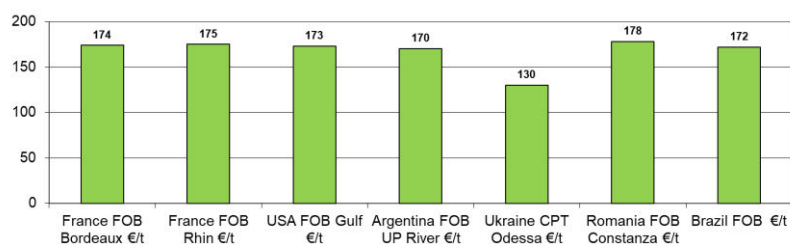
Weekly economic newsletter of the European Confederation of Maize Production

Week 10/2024

N°380

Indicators

FOB* prices 01/03/2024 in €/t – March-June delivery (2023 harvest)



	01/03	23/02
Parity €/€	1,08	1,08
Petrol \$/barrel (NY)	80	76,5
FOB Bordeaux*(€/t)	174	178
FOB Rhine*(€/t)	175	179

*Fob price Bordeaux/Rhine including monthly increases

*CPT price for Odessa

WORLD: Hedge funds take cover

From 23/02 to 01/03, the May delivery price in Chicago gained \$4/t to stand at \$167/t. U.S. prices rebounded last week as funds sought to hedge their positions.

Indeed, non-commercial funds in Chicago had reached a record net short position at the end of February. This prompted them to close a number of short positions, avoiding excessive financial risk in the event of a return to an upward momentum in maize. If this hedging logic is maintained over the coming weeks, encouraged by new positive market elements for prices, it could sustain the current rebound. However, this will necessarily remain limited, given the volumes of maize that have not yet been contracted by producers due to low prices.

Last week, US maize export contracts reached 1.1 Mt, at the top end of operators' expectations. After purchases in Ukraine, operators are watching for the return of Chinese purchases in the United States. American maize can be stored more easily as it is of better quality. Ethanol producers are pleased with Joe Biden's decision to allow year-round sales of E-15 in Midwestern states from 2025, a key factor in the November presidential election.

In Brazil, safrinha maize sowing is still proceeding apace, with 73% sown by the end of February. Acreage sown in March will be more exposed to the risk of early drought. Weather conditions in March/April will be decisive for yield. To date, weather models remain rather pessimistic about rainfall.

In Argentina, due to the heat wave affecting late sowings, the Rosario Grain Exchange revised downwards its production projection by 2 Mt (57 Mt). However, operators remain optimistic about a record or near-record maize harvest (55-60 Mt). The very first harvests of early sowings are showing very good yields.

EUROPE: Chinese purchases in Ukraine

China is back to buying after the New Year festivities. It reportedly bought up to 600 Kt of Ukrainian maize last week at a price of around \$230/t CIF China. This price and these purchases demonstrate, if proof were needed, that Ukrainian maize is the most competitive grain silage on the world stage, which is driving Chinese buyers to take an interest in it, despite the risks in the Red Sea. Russian wheat keeps up the pressure on European origins, with FOB prices below \$215/t, the lowest in 3 years.

In its February report, compared with January and for the current campaign, the European Commission revised its maize import forecast downwards by 2.5 Mt (17.5 Mt). As at 22/02, 11.5 Mt had been imported, compared with an average of 14.5 Mt at that date (2018-2022).

To be monitored:

- War in Ukraine
- Funds' activity
- USDA 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