

CORN Market



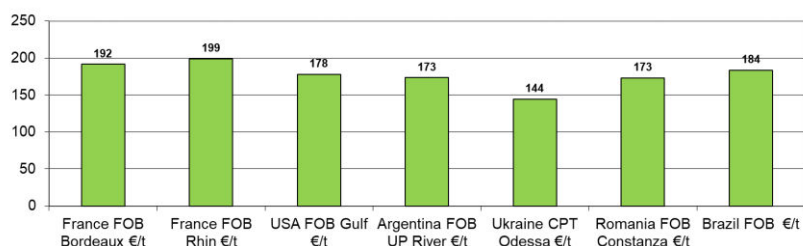
Weekly economic newsletter of the European Confederation of Maize Production

Week 15/2024

N°384

Indicators

FOB* prices 05/04/2024 in €/t – April-June delivery (2023 harvest)



	05/04	29/03
Parity €/€	1,08	1,08
Petrol \$/barrel (NY)	86,9	83,2
FOB Bordeaux*(€/t)	191,5	194
FOB Rhine* (€/t)	199	199

*Fob price Bordeaux/Rhine including monthly increases

*CPT price for Odessa

WORLD: Bullish momentum fading

From 29/03 to 05/04, the price of May grain in Chicago fell by \$3/t to \$171/t. After a month of rising prices in March, the momentum is fading in Chicago, while planting in the United States is off to a slow start, and concerns about demand are emerging.

Planting is getting underway in the Corn Belt, with no major concerns among growers about the weather. This leads operators to believe that the acreage will ultimately be larger than announced in the last sowing intentions report (36.4 Mha).

Demand is also a cause for concern, against the backdrop of an already heavy US balance sheet. Last week, export contracting in the United States was at the bottom end of operators' expectations, at 948 Kt. Operators are also concerned about rumors of import restrictions in China. Chinese maize prices in Dalian are off their highs of recent months, which could prompt the government to curb imports to reassure farmers ahead of the sowing season.

In the animal feed sector, it is the transmission of avian influenza to cattle that is causing concern. While cases remain very limited to date, an extension of the epizootic would have major consequences for maize consumption in the USA.

In Brazil, the USDA's local attaché now sees production at 122 Mt, compared with 130 Mt at its last estimate. The week looks set to be rainy throughout the production zone, which should relieve the water stress that was beginning to build up in the Centre-South. With safrinha maize in full bloom, weather warnings are limited for the time being.

In Argentina, 11.1% of maize had been harvested by early April. The Buenos Aires grain exchange revised its production estimate down by 2 Mt (54 Mt), after a 2.5 Mt drop at the end of March, in view of the water stress affecting late maize and, above all, the damage caused by the maize leafhopper.

The USDA's next report should bring some adjustments to the US balance, and operators will also be expecting a downward revision of South American maize production.

EUROPE: Towards a decrease in the ECB rates

While China's purchases from Ukraine had regained momentum in recent weeks, there are now rumors of cancellations of up to 1 Mt. Ukraine's ability to export to Asian markets is vital to ease pressure on the European market.

The continuation of the liberalization of Ukrainian imports for one year is expected to be formalized this week in Brussels, with a request from EU producers to include wheat and barley in the planned safeguard clause, following the example of maize.

Given the economic situation in the eurozone, and without waiting for the Fed in the USA, the ECB could cut rates as early as June. This could weaken the euro, boosting the competitiveness of European cereals.

To be monitored:

- War in Ukraine
- USDA report