

CORN Market



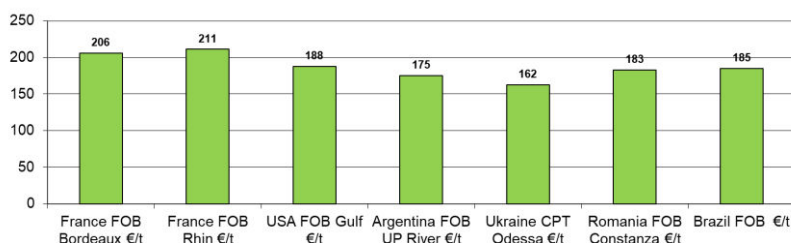
Weekly economic newsletter of the European Confederation of Maize Production

Week 38/2024

N°398

Indicators

FOB* prices 13/09/2024 in €/t – October-December delivery (2024 harvest)



	13/09	08/09
Parity €/€	1,11	1,11
Petrol \$/barrel (NY)	68,7	67,7
FOB Bordeaux*(€/t)	206	203
FOB Rhine* (€/t)	211	206

*CPT price for Odessa

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Harvest begins in the Corn Belt

From 06/09 to 13/09, the December delivery price in Chicago gained \$3/t to stand at \$163/t. Buybacks of short positions by non-commercial funds enabled the consolidation begun at the end of August to continue, despite rather negative fundamentals.

The week was marked by the publication of the USDA's monthly report. For the 2024/25 season, the report slightly revised upwards the record yield (115 q/ha) in the United States compared with August. This leads to an upward revision of production by 1 Mt (386 Mt). Despite a downward revision of 410 Kt, stocks remain high (52.3 Mt) and above operators' expectations.

On 08/09, 5% of maize had been harvested, compared with an average of 3% at that date. The start of harvesting in the Corn Belt traditionally puts pressure on prices.

Last week, export contracts reached 667 Kt, well below operators' expectations and breaking with the momentum established since the end of August. In addition, the USDA revised China's import forecast downwards by 2 Mt (21 Mt), a decisive factor for US exports at a time when the Chinese government is putting pressure on local operators to favor the use of local cereals. Ethanol production remained stable overall, while inventories rose to approach 24 million barrels.

At world level, for the 2024/25 season and compared with August, the USDA revised production down by 1.3 Mt (1219 Mt), consumption up by 1.7 Mt (1220 Mt) and stocks down by 1.8 Mt (308 Mt), below operators' expectations.

In South America, no rain is forecast for this week. It may not return until early October.

EUROPE: Renewed tensions in the Black Sea

The week was marked by a significant rise in tensions in the Black Sea. A Ukrainian ship carrying wheat for Egypt was hit by a Russian missile on 12/09. This led to a rise in wheat and maize prices on Euronext, a reminder of the risks to cereals from the ongoing conflict in Ukraine.

The ECB lowered its key rates by 25 basis points last week, as expected. More rapid easing does not appear to be on the agenda, with the next cut expected in December. Analysts are now awaiting next week's decision by the US Federal Reserve, which is also expected to cut rates. A sharper cut than the ECB's would risk strengthening the euro, a move that would penalize European cereals.

Extensive flooding has hit Central Europe, from Romania to southern Poland. The extent of crop damage remains unknown at this stage. River logistics on the Danube have been further complicated by the situation.

To be monitored:

- War in Ukraine
- US Federal Reserve Announcements

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