

CORN Market

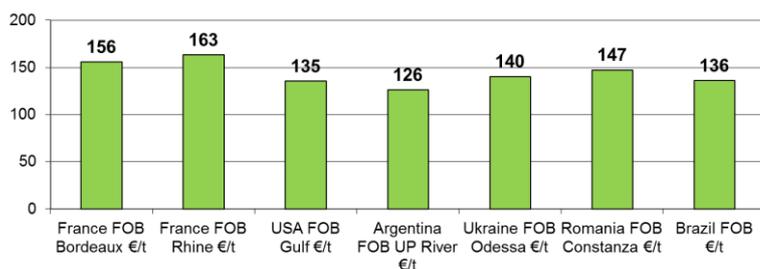


Weekly economic newsletter of the European Confederation of Maize Production

Week 44/2017
Indicators

N°98

FOB price 27/10/2017 in €/t - November delivery (2017 crop)



	27/10	20/10
Parity €/€	1.16	1.18
Petrol \$/barrel (NY)	53.9	43.5
FOB Bordeaux*(€/t)	156	145
FOB Rhine* (€/t)	163**	153

* FOB price Bordeaux/Rhine including monthly increases .
**FOB price Rhine January - June delivery

WORLD : POSITIVE DEMAND IN THE US

In its report for the month of October, the CIC foresees an increase in the global production and consumption compared to last year. As a consequence, the global production, estimated to be at 1034 Mt (+5 Mt), will be higher than in 2016. The increase of consumption forecasts at 1067 Mt (+9 Mt), is mainly caused by the increase in industrial uses mostly in China. Global stocks are reviewed at 203 Mt versus 208 Mt last month.

Sowings in Argentina are progressing by 5% compared to last week, for a total amount of sown acreage of 33%.

In the US, harvests are progressing by 10% this week but this is not sufficient in order to catch up the harvest delay compared to the usual average of the last 5 years (-21%).

The demand is positive in the US market. Weekly export sales exceed expectations with 1.3 Mt of goods sold only in this week. With a daily production of 1.039 million barrels this week, ethanol uses are also high.

The CBOT registers a slight increase from one week to the next. Fob prices are also recovering in North and South America.

EUROPE : DECREASE OF EU IMPORTS RYTHM

About half of the acreages have been harvested in Ukraine at the beginning of last week. In its latest MARS report, the European Commission estimates Ukrainian yields at 55 q/ha vs. 66 q/ha last year.

In its latest EU figures, the Commission does not modify uses, but decreases production figures to 58.5 Mt (-0.6 Mt compared to last month). This is due to lower acreage estimates (-100 Kha) as well as a slight decrease in yields (69 q/h versus 70 q/ha in September). The level of imports is stable at 15 Mt (versus 13.6 Mt last year) and stocks for the end of the crop year are adjusted at 14.2 Mt versus 15.6 Mt in 2016. Imports in the EU, still largely dominated by Brazil to this day, slow down this week with an imported volume of 200 Kt, according to the European Commission. We note, however, that total exports since 1 July are nearly 2 Mt higher than last year at the same date. The decrease of the euro vs the dollar this week provides some support to the European market, while the harvest pressure starts to ease.

Euronext started to recover by the end of last week and regained 6.25 €/t between the 20 and the 27 October to close at 151.5 €/t for the November 2017 deadline.

To be monitored:

- €/€ evolution
- US harvests
- Ukraine harvests

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