

CORN Market



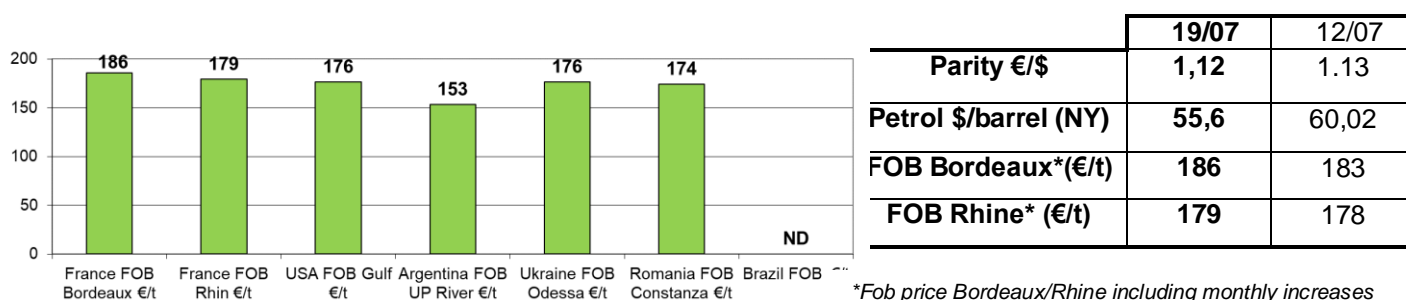
Weekly economic newsletter of the European Confederation of Maize Production

Week 30/2019

N°180

Indicators

FOB price 19/07/2019 in €/t – July delivery (2018 harvest)



WORLD : Progress in the China-US negotiations?

Amongst fears of a heat wave rising mid-July in the United States, threatening the flowering period, the tropical storm Barry brought rain and a drop in temperatures that reassured operators at the beginning of last week. The prices, which had regained their mid-June peak, fell on all maturities in Chicago. Over the period from the 15/07 to 19/07, there is a decrease of \$ 6 / T (at \$ 169.4 / T) for the September deadline and a decrease of \$ 4 / T (at \$ 171.6 / T) for the December deadline. However, the period remains critical in terms of weather conditions: on the 15/07, 27% of US corn were in female flowering. The weather factor will therefore be followed carefully by the operators in this end of the month period as the threat of a heat wave on the Corn Belt is not totally ruled out.

In South America, harvests are progressing according to the goodwill of the weather and logistic conditions. In Argentina, harvest is completed at 61% on the 17/07. In Brazil, it is at 56% as of 11/07. The good availability and competitiveness of Argentinian and Brazilian corn are reducing the weekly exports of the United States, whose competitiveness is handicapped by high prices.

The Chinese government news agency Xinhua reported on Sunday that Chinese importers demanded the lifting of retaliatory custom tariffs on certain US agricultural products. This request will be reviewed by the Chinese government, in a gesture seen as a calming measure vis-à-vis the United States. Indeed, Trump announced at the G20 in Osaka that the resumption of Chinese purchases of US agricultural products was of paramount importance so that trade negotiations between the two countries could progress.

EUROPE: Maize growth on Euronext

Following a particularly dry period, the threat posed by the new heat wave on French corn in the middle of the flowering period pushed up prices on Euronext last week. From 15/07 to 19/07, the August deadline grows € 3 / T at € 180.75 / T and the November deadline grows € 3.5 / T at € 179 / T.

Harvest of straw cereals are progressing, especially for wheat. France, northern Europe and the Baltic are expecting a good harvest both in quality and quantity. While harvest progresses in Russia, production is still expected to increase compared to last year. Operators remain however expanctant, including on some issues with regards to quality.

To be monitored:

- Weather in the United States
- Black Sea straw cereal harvest.