

CORN Market



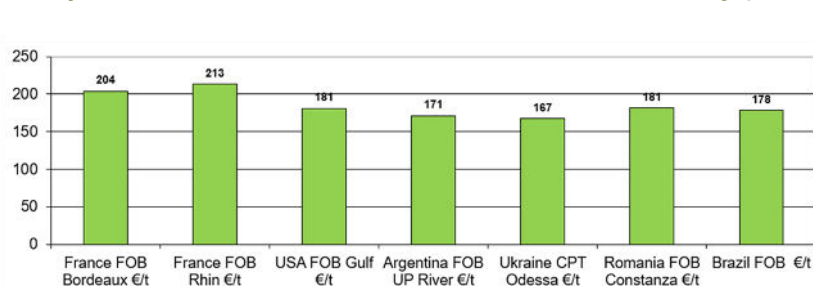
Weekly economic newsletter of the European Confederation of Maize Production

Week 39/2024

N°399

Indicators

FOB* prices 20/09/2024 in €/t – October-December delivery (2024 harvest)



	20/09	13/09
Parity €/€	1,12	1,11
Petrol \$/barrel (NY)	71,9	68,7
FOB Bordeaux*(€/t)	204	206
FOB Rhine* (€/t)	213	211

*CPT price for Odessa

*Fob price Bordeaux/Rhine including monthly increases

WORLD: Harvest puts pressure on US prices

From 13/09 to 20/09, the December delivery price in Chicago fell by \$5/t to stand at \$158/t. Prices in Chicago once again tested the \$4/bushel support against a backdrop of harvest-related price pressure.

On 15/09, 9% of maize had been harvested, compared with 6% on average at that date. Good yields were confirmed despite the dry weather that has persisted since the end of August in the Corn Belt.

Last week, export contracts reached 847 Kt, at the lower end of operators' expectations. Ethanol production and stocks remained stable at high levels for the period. Operators are closely monitoring the rebound in oil prices, which have climbed back above \$70/barrel against a backdrop of heightened tensions in the Middle East. Commodities like oil - with the exception of grains, where fundamentals took over - were also buoyed last week by the Fed's long-awaited announcement of a key rate cut.

In Brazil, the construction of a 19th maize ethanol plant has just been announced. The rapid development of this industry, which now produces almost 20% of Brazil's ethanol, is boosting demand and domestic maize prices. Sowing of safra (full-season) maize is proceeding at a normal pace in the south of the country, where it benefits from regular rainfall. By 09/17, 19% had been sown, in line with the average. On the other hand, there is growing concern in the central-western part of the country, where the hot, dry weather is continuing, while soybean sowing, which precedes safrinha maize, should normally start at the beginning of October. Dry, hot weather is also continuing over much of the Argentine production zone, limiting early maize planting. The weather situation is also lowering river levels, including that of the Paraná River, Argentina's main export route. This means higher logistics costs and longer loading times.

EUROPE: Cereals penalized by the euro

After the ECB, the US Federal Reserve lowered its key interest rates last week. This 50-basis-point cut was more aggressive than the ECB's, and drove the euro back to its highest levels since the start of the year. Such a move is detrimental to the export competitiveness of European cereals, particularly wheat from Black Sea origins, but also imported cereals, especially Ukrainian maize.

In Ukraine, 13% of the crop had been harvested by 09/19. The USDA is maintaining its production projection at 27 Mt, while most local analysts are under 25 Mt. Persistent drought is penalizing straw cereal planting.

Coceral forecasts EU maize production at 60.3 Mt for 2024/2025, compared with 64.5 Mt in 2023/2024.

To be monitored :

- War in Ukraine
- EU imports