

CORN Market



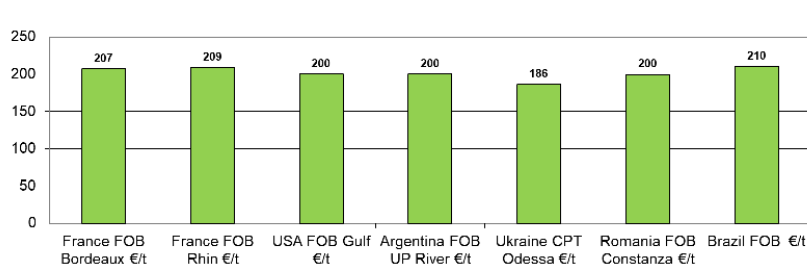
Weekly economic newsletter of the European Confederation of Maize Production

Week 46/2024

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Indicators

FOB* prices 08/11/2024 in €/t – November-December delivery (2024 harvest)



	08/11	01/11
Parity €/€	1,07	1,09
Petrol \$/barrel (NY)	68	69,5
FOB Bordeaux*(€/t)	207	207
FOB Rhine* (€/t)	209	210

*Fob price Bordeaux/Rhine including monthly increases

*CPT price for Odessa

WORLD: Donald Trump's victory

From 01/11 to 08/11, the December delivery price in Chicago rose by \$7/t to stand at \$170/t. Like other commodity and financial markets, traders are hailing Donald Trump's victory, and in particular his programme of deregulation and tax cuts. Against this backdrop, non-commercial funds have become net buyers again, for the first time since mid-2023.

Last week in the United States, export contracts reached 2.8 Mt, exceeding operators' expectations and exceeding the 2 Mt mark for the fourth week in a row. The sharp rise in the dollar, due to the expected consequences of President Trump's tax programme, could eventually affect the competitiveness of US origin. Furthermore, operators will remain vigilant as to the implementation of the customs programme of the 47th US President, who has promised 60% additional taxes on Chinese products and 10% on other origins. The risks of retaliation are limited for US maize, of which China is currently not a big buyer, but greater for soya, with potential arbitration between soya and maize crops in the Corn Belt. In addition, Trump is quick to use the trade weapon with Mexico, the No. 1 export market for US maize, in particular to negotiate better border controls. US-Mexico relations will therefore be key over the coming months. With regard to ethanol, the appointments to the administration's energy and environment posts will be closely watched to assess the support that will be given to the ethanol sector, which suffered under Trump's first term in office and the proliferation of incorporation exemptions.

In its November report, compared with October and for the 2024/25 season, the USDA revised the average US yield down slightly by 0.4 q/ha (115 q/ha), leading to a 1.5 million tonne drop in production (385 million tonnes). With the other balance sheet items unchanged, this drop has had repercussions on stocks, which have fallen below 50 million tonnes (49.2 million tonnes).

At world level, the USDA has revised upwards production by 2.2 Mt (1219 Mt) and consumption by 6.2 Mt (1229 Mt). World stocks have been revised down by 2.4 Mt (304 Mt) and are slightly below operators' expectations.

EUROPE: Further fall in the euro against the dollar

D. Trump has made ending the war in Ukraine 'in 24 hours' a priority at the start of his term of office and is already working on proposals, a geopolitical development that would be major if it materialised.

As a result of the strengthening of the dollar following his election and the political difficulties in Germany, the euro fell further last week. This movement is positive for the competitiveness of European cereals. Russian wheat stocks are dwindling, which should eventually ease the pressure on European cereals too.

To be monitored:

- Ethanol in India
- EU outlook