

Soybeans and corn in Argentina: market commentary

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During the past week, soybean price in the spot market increased by US\$ 2.5/t. The price published by the Arbitration Chamber at Rosario Board of Trade on Thursday 17 was ARS 9,300/t (\approx US\$ 248/t). At MATba (Buenos Aires Futures Market), soybeans price to harvest had a slight US\$ 0.5/t rebound on Thursday 17, adjusting at US\$ 240.8/t. As for export prices, very little variation was observed in the last 5 days. The value published on Thursday 17 by the Secretariat of Agribusiness was US\$ 345/t, only US\$ 1/t below last week's value. Price variation in Brazil and the United States was also very limited during the week. According to Secretariat of Agribusiness data, the entire 2017/18 soybean crop has already been traded, that is 35 Mt. Only 5 Mt of this total are pending-price contracts. Regarding 2019/20 new crop, the pace of business is far behind last cycle as export sector only closed forwards for a little more than 600,000 tons. Current commercial rhythm is considered atypical; as last year, this figure exceeded 3 Mt and the 5-year average is 2 Mt. The industrial sector, has acquired 3,36 Mt, a value slightly lower the 2017/18 cycle but above the 5-year average.

Soybeans 2018/19: industrial and export sector highlights

million tons

by 01/09/2019	2018/19 Jan-09-19	2018/19 Jan-0219	2017/18 Jan-1018	5-yr average
Total supply	49,1	49,1	35,0	52,4
Exporters purchases	0,62	0,61	3,10	2,00
Industry purchases	3,36	3,20	3,85	2,45
Total purchases	4,0	3,8	6,9	4,4
Purchases/supply ratio	8%	8%	20%	8%
Pending-price contracts	2,7	2,5	3,4	2,8
Pending-price/purchases ratio	67%	67%	49%	62%
Priced contracts	1,3	1,3	3,6	1,7
Priced contracts/purchases ratio	33%	33%	51%	38%
Available for trading	45,1	45,3	28,1	48,0
Exporters stocks	47,8	47,8	31,4	50,7

Source: @BCRmercados based on Secretariat of Agribusiness data

Corn price at Rosario Board of Trade spot market closed on Thursday at ARS 5,560, unchanged from previous week's price. Measured in dollars, it dropped by a little over US\$ 2/t. MATba January future closed at US\$ 148.5/t, falling by US\$ 1/t, and MATba April and July adjusted at US\$ 143.8/t and US\$ 140.5/t respectively, recording falls of US\$ 0.2/t and US\$ 0.3/t. As for trading activity in the local corn market, the pace of business is very similar to the past cycles.



Corn 2017/18: industrial and export sector highlights

million tons

by 01/09/2019	2017/18 Jan-09-19	2017/18 Jan-02-19	2016/17 Jan-10-18	5-yr average
Production	32,0	32,0	38,0	30,3
Exporters purchases	22,08	21,81	26,09	20,60
Total purchases	22,1	21,8	26,1	20,6
Purchases/production ratio	69%	68%	69%	68%
Carryover	10,0	10,2	11,9	9,7
Committed sales by 01/09	20,01	19,96	24,64	-
Exporters stocks	2,1	1,9	1,5	

Source: @BCRmercados based on Secretariat of Agribusiness data



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