



03<sup>rd</sup> April, 2020

### Executive Summary:

- As per media news, Telangana state government will procure entire Rabi season crop of maize at MSP of Rs. 1760 per quintal. It will be procured by the government directly from farmers through village procurement centers over a period of 45 days. Procurement by state government could give support to maize prices.
- Across India, maize is likely to trade steady to weak in near term too on sluggish demand from poultry feed industry in the wake of coronavirus and bird flu. Besides, large size of Rabi crop is also weighing on market sentiments. However, no major trade activity would happen till 14th April'20 as markets are closed due to lockdown in India to fight the spread of Covid-19; huge arrivals of new crop are expected after that which could also weigh on market sentiments.

### Previous Updates:

- As per trade sources, India exported around 24,835 MT of maize for the month of February'20 at an average FoB of \$306.63/ MT. Out of which, around 21,435 MT Indian maize was exported mainly to Nepal at an average FoB of \$301.66/MT; mainly through Raxaul followed by Sonauli ICD and Jogbani ICD port.
- As per trade sources, India imported around 1,47,554.51 MT of maize for the month of February'20. Out of which, around 1,28,534.51 MT was imported from Myanmar for the Kolkata (1,06,563 MT @ \$266.37 USD/MT), Tuticorin (7,175 MT @ \$247.01 USD/MT), Chennai (1100 MT @ \$284.76 USD/MT), Vizag (4,799 MT @ \$250.31 USD/MT) and Mundra port (5,899 MT @ \$260.99 USD/MT) while around 19,000 MT was imported from Ukraine for the Kandla port at an average value of \$199.70 USD/ MT.
- In Nizamabad, maize is likely to trade steady to weak in near term due to sluggish poultry feed makers' demand on the fear of corona virus. Early new crop arrivals have started in the market, containing moisture up to 18%.
- Maize growing regions in Bihar witnessed unseasonal rains and hailstorm two weeks ago but according to local trade sources, the crop quality is expected to remain intact.
- In Telangana, it has been sown in 2.36 lakh hectare as of 18th March'20 which is higher than 1.16 lakh hectare covered during corresponding period last year. Maize sown area is 157% to season normal and its sowing has completed. Maize crops are at cob formation stage. In Warangal, Kamareddy & Siddipet districts, fall army worm is below ETL.
- In Davangere region of Karnataka, maize is likely to trade down as new rabi arrivals are expected in coming weeks. Also, sluggish demand from Tamil Nadu based feed makers could also weigh on market sentiments.
- In A.P, maize has been sown in around 1.87 lakh hectares as of 11th March'20 which is higher than 1.61 lakh hectare covered during corresponding period last year. Maize sown area is 102% to season normal and at cob formation to cob maturity stage. In Krishna, Vizianagaram, Srikakulam, Prakasam, East Godavari, West Godavari, Guntur districts, 25,510 hectare of maize area is affected by Fall armyworm, stem borer, Root rot and Tursicum blight; out of which, 25,410 hectare of maize area has treated.
- As per trade sources, Vessel (TAN BINH) with 19,700 tonnes of corn, has arrived at Tuticorin port on 1st March, 2020.
- Across India, maize has been sown in around 16.98 lakh hectares as of 31st Jan'20 for Rabi season 2019-20 which is higher than 14.78 lakh hectare covered during corresponding period last year.

### International Market Commentary:

- Corn on CBOT fell by 0.20 USD/MT to 134.15 USD/MT for May'20 contract compared to previous day as USDA forecasted corn plantings at 96.990 million acres, more than above the average analyst forecast for 94.328 million acres. Further, price direction depends on the demand for U.S corn.
- IGC increased its global corn production forecast for 2019/20 by 4 MMT to 1116 MMT compared to previous forecast. Forecast for global corn ending stock was also up by 5 MMT to 289 MMT due to increase in production amid lower estimates for trade and consumption for 2019/20 compared to last month forecast which could weigh on international corn market. IGC also forecast, global corn production at 1157 MMT and global corn ending stock estimates at 274 MMT for 2020/21.

**Outlook and Recommendation:** Maize cash market is likely to trade steady to weak in the near term.

**03<sup>rd</sup> April, 2020**
**NCDEX Maize Futures**

| Contract | +/- | Open | High | Low | Close | Volume | Volume Change | OI | OI Change |
|----------|-----|------|------|-----|-------|--------|---------------|----|-----------|
| Apr-20   | -   | -    | -    | -   | -     | -      | -             | -  | -         |
| May-20   | -   | -    | -    | -   | -     | -      | -             | -  | -         |
| Jun-20   | --  | --   | --   | --  | --    | -      | -             | -  | -         |

\*Prices are taken at 5:00 p.m.

| Spread | Apr-20 | May-20 | Jun-20 |
|--------|--------|--------|--------|
| Spot   | -      | --     | --     |
| Apr-20 | --     | -      | --     |
| May-20 | --     | --     | -      |

\*Basis – Nizamabad (Spread calculated as at 5:00 p.m. price)

| Stocks    | Demat     | In-Process | Total     | EDD       |
|-----------|-----------|------------|-----------|-----------|
|           | 31-Mar-20 | 31-Mar-20  | 31-Mar-20 | 23-Mar-20 |
| Nizamabad | -         | -          | -         | -         |
| Sangli    | 462       | -          | 462       | 462       |

**Spot Prices at Key Markets**

| Centre     | Grade         | Prices (Rs./qtl) |           |        | Arrivals in Quintal |           |        |
|------------|---------------|------------------|-----------|--------|---------------------|-----------|--------|
|            |               | 01-Apr-20        | 31-Mar-20 | Change | 01-Apr-20           | 31-Mar-20 | Change |
| New Delhi  | Hybrid        | Closed           | Closed    | -      | Closed              | Closed    | -      |
| Koppal     | Loose         | NA               | NA        | -      | NA                  | NA        | -      |
| Davangere  | Loose         | Closed           | Closed    | -      | Closed              | Closed    | -      |
| Ranebennur | Hybrid/Local  | NR               | NR        | -      | NR                  | NR        | -      |
| Bagalkot   | Hybrid/Local  | NR               | NR        | -      | NR                  | NR        | -      |
| Gadag      | Local         | NR               | NR        | -      | NR                  | NR        | -      |
| Hubli      | Local         | NR               | NR        | -      | NR                  | NR        | -      |
| Shimoga    | Hybrid/Local  | NR               | NR        | -      | NR                  | NR        | -      |
| Nizamabad  | Bilty         | Closed           | Closed    | -      | Closed              | Closed    | -      |
| Karimnagar | Local         | NR               | NR        | -      | NR                  | NR        | -      |
| Khammam    | Local         | NR               | NR        | -      | NR                  | NR        | -      |
| Sangli     | Feed          | NA               | NA        | -      | NA                  | NA        | -      |
| Naugachia  | Bilty         | NA               | NA        | -      | NA                  | NA        | -      |
| Kolkata    | Mill Delivery | NA               | NA        | -      | NA                  | NA        | -      |
| Gulabgh    | Local         | NA               | NA        | -      | NA                  | NA        | -      |
|            | Bilty         | NA               | NA        | -      |                     |           |        |
| Ahmedabad  | Feed          | Closed           | Closed    | -      | Closed              | Closed    | -      |
|            | Starch        | Closed           | Closed    | -      |                     |           |        |

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|                   |             |        |        |   |        |        |   |
|-------------------|-------------|--------|--------|---|--------|--------|---|
| <b>Khanna</b>     | Local       | Closed | Closed | - | Closed | Closed | - |
|                   | Bilty       | Closed | Closed | - |        |        |   |
| <b>Ludhiana</b>   | Local       | NA     | NA     | - | NA     | NA     | - |
|                   | Bilty       | NA     | NA     | - |        |        |   |
| <b>Jalgaon</b>    | Bilty       | NA     | NA     | - | NA     | NA     | - |
| <b>Chhindwara</b> | Loose price | Closed | Closed | - | Closed | Closed | - |

| <b>CBOT Corn Daily Futures Price Listing (USD/MT) as on 31 March,2020</b> |             |             |            |              |               |
|---|-------------|-------------|------------|--------------|---------------|
| <b>Contract Month</b>   | <b>Open</b> | <b>High</b> | <b>Low</b> | <b>Close</b> | <b>Change</b> |
| <b>May-20</b>   | 134.54      | 135.72      | 131.29     | 134.15       | <b>-0.20</b>  |
| <b>Jul-20</b>   | 136.90      | 137.89      | 133.66     | 136.21       | <b>-0.59</b>  |
| <b>Sep-20</b>   | 138.58      | 139.46      | 135.72     | 137.69       | <b>-0.89</b>  |
| <b>Dec-20</b>   | 141.73      | 142.71      | 139.07     | 140.74       | <b>-0.89</b>  |
| <b>Mar-21</b>   | 145.47      | 146.35      | 143.69     | 145.07       | <b>-0.30</b>  |

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