



# Maize Weekly Research Report

## Contents

- ❖ Executive Summary
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ Export Parity Trend
- ❖ Export Break Up By Major Countries
- ❖ Business from various sourcing centers during the season till date
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Futures Market Analysis: NCDEX MAIZE
- ❖ Davangere Market Analysis
- ❖ Annexure

**EXECUTIVE SUMMARY****DOMESTIC MAIZE MARKET SUMMARY**

As per Ministry of Agriculture, in India, maize has been sown in around 4.75 lakh hectares as of 17th November'17 for Rabi season (2017-18) which is higher than 3.67 lakh hectare covered during corresponding period last year.

As per farmers sowing intention; in Telangana and Andhra Pradesh region, maize area likely to be same compared to last year.

Overall maize cash markets traded mixed during the week and are expected to be steady in near term.

The material presently arriving in the south Indian markets has high moisture contain and also fungus infestation in some places. Standard quality maize prices are expected to be steady due to new crop arrival pressure amid high stock availability of old crop. Besides, large traders/stockists are not actively purchasing. Village level aggregators continue to collect small quantities from farmers and sell it to feed industry. Thus, feed industry immediate demand is fulfilled through small channel currently.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 2.44 % to Rs. 1277 per quintal (weekly average price) while starch feed makers quoted it down by 1.29 % to Rs. 1305 per quintal compared to last week average price.

**RECOMMENDATION:**

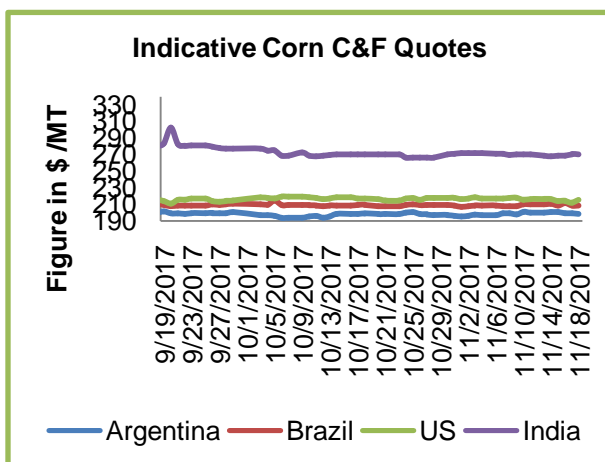
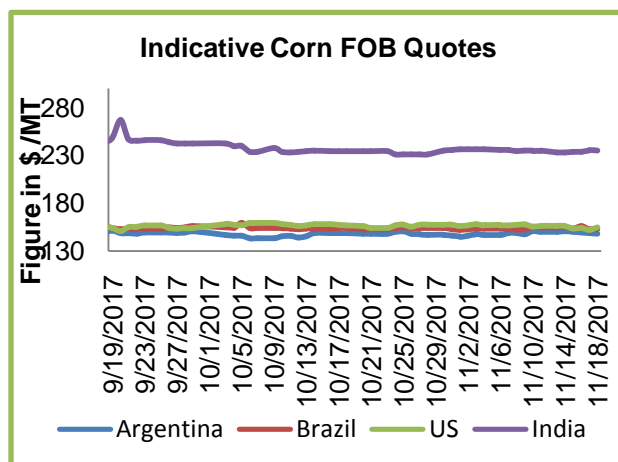
Weekly Call - : Market participants are advised to wait as there is no trade volume in near future contract. In Davangere cash market, good qualities of maize (loose) prices are likely to trade at Rs.1300 per quintal for the week.

**INTERNATIONAL CORN MARKET SUMMARY**

Corn prices on CBOT fall by 1.97 USD/MT to 132.47 USD/MT compared to last week for December contract.

At 0.41 MMT (for the period 3<sup>rd</sup> November –9<sup>th</sup> November, 2017) U.S corn exports were down 15 percent from the previous week and 18 percent from the prior 4-week average.

In U.S, 83% crop of corn has harvested as of 12<sup>th</sup> November, 2017, which is lower by 9% from the corresponding period of last year and 8% from last 5 year average period.

EXPORT PARITY TREND

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.99)				
As on 18.11.2017	Argentina	Brazil	US	India
FOB	148.23	153.15	155.16	235.04
C&F	198.23	208.15	215.16	270.04

As depicted by the above data, there is no parity for Indian maize as gap of prices between India and other exporting countries is wide.

- We are unable to update export-import data as Govt has restricted the latest IBIS data for Public domain. We will be able to update it as and when available.

BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE WEEK:

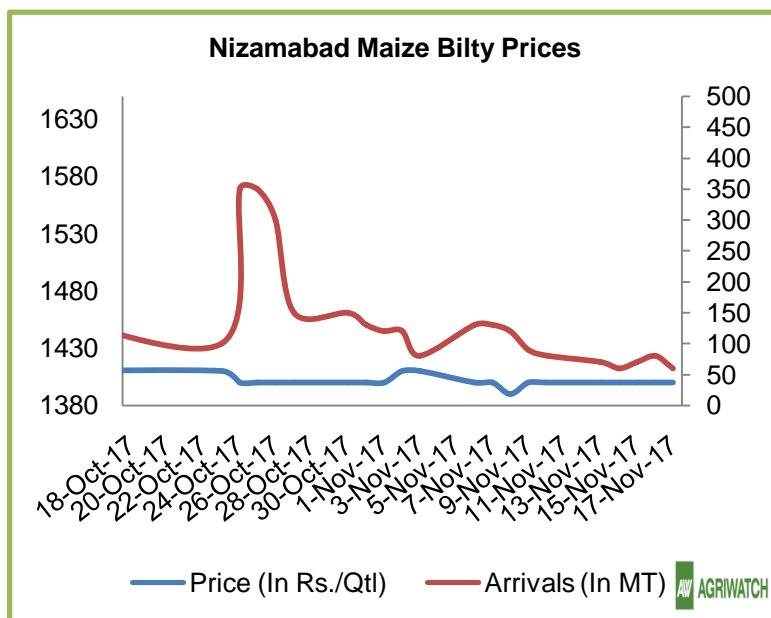
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkata	13250-13500 (Bihar Origin)	N.A
Hyderabad	14000-14100 (Telangana Origin)	N.A

## CURRENT MARKET DYNAMICS:

During the week under review, overall mixed sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

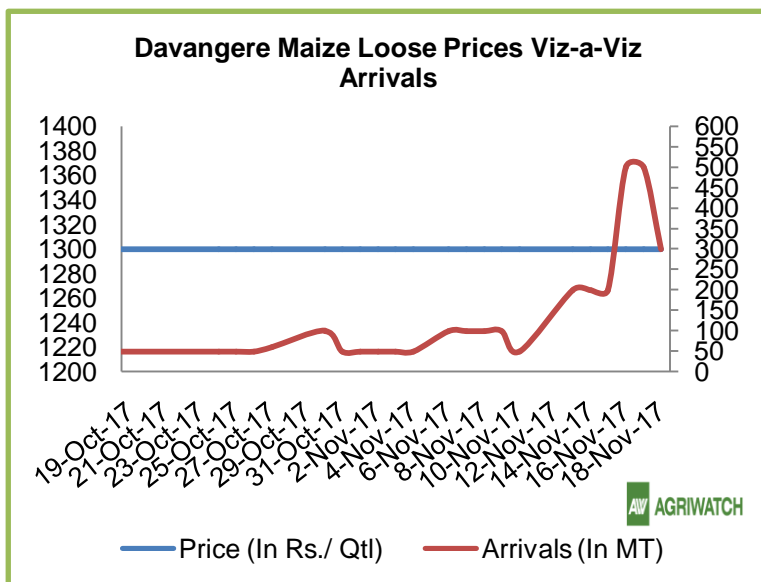
### NIZAMABAD:

- In Nizamabad, maize crop contains moisture up to 16% now. Maize prices are likely to be steady; Trade remains restricted in major markets as feed industries are getting supply directly from farmers. As per trade source, stock of maize in the hands of Private traders could be around 1 lakh bags (1 bag=50 kg) which was 1.5 lakh bags during corresponding period last year.



### KARNATAKA:

- In Davangere, Maize crop contains moisture up to 22% now. It is likely to trade steady amid sluggish demand.



## DOMESTIC MAIZE OUTLOOK:

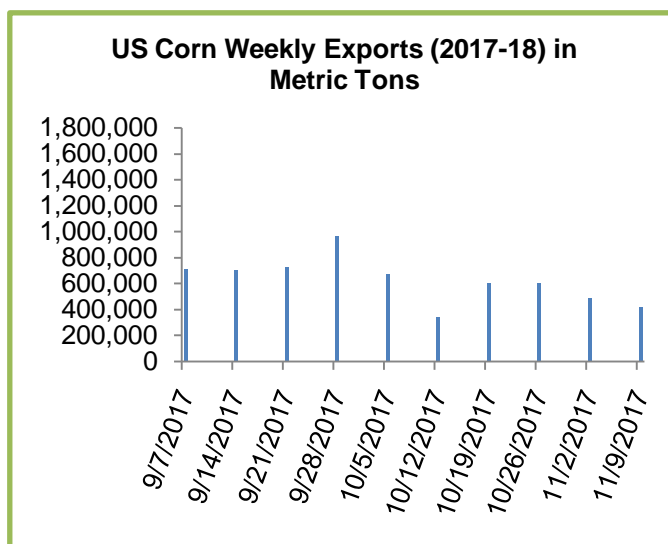
Maize prices are expected to remain steady on the expectation of new crop arrival pressure amid high stock availability.

## INTERNATIONALS

## MARKET:

## HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 6.14 MMT in the 2017-18 marketing year. At 0.41 MMT (for the period 3<sup>rd</sup> November –9<sup>th</sup> November, 2017) U.S corn exports were down 15 percent from the previous week and 18 percent from the prior 4-week average. The primary destinations were Mexico (268,700 MT), Peru (45,600 MT), Costa Rica (30,500 MT), Taiwan (26,900 MT), and Guatemala (24,300 MT).
- In U.S, 83% crop of corn has harvested as of 12<sup>th</sup> November, 2017, which is lower by 9% from the corresponding period of last year and 8% from last 5 year average period.
- Korea Corn Processing Industry Association of South Korea purchased about 60,000 MT of corn likely to be sourced from the United States at \$191.96 per MT c&f including surcharge for additional port unloading for January-February shipment from the U.S. Pacific North West coast or U.S. Gulf for arrival in South Korea around March 5, 2018.
- Meanwhile, Nonghyup Feed Inc. purchased around 68,000 MT of corn at \$187.78 per MT c&f plus a \$1.00 per MT surcharge for additional port unloading for the shipment between Feb. 15 to March 6 if it sourced from the U.S. Pacific North West Coast or between Jan. 26 to Feb. 14 if it sourced from the U.S. Gulf and between Jan. 21 and Feb. 19 if sourced from South America. Arrival in South Korea from all origins should be around March 20.
- Besides, Major Feedmill Group purchased about 70,000 MT of corn from optional origins at around \$186.95 per MT c&f plus a \$1.25 per MT surcharge for additional port unloading for the arrival around March 17, 2018.



## INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 1.97 USD/MT to 132.47 USD/MT compared to last week for December contract.

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1300 per quintal for the week.

### ANNEXURE

#### MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	16-Nov-17	9-Nov-17	16-Oct-17	16-Nov-16	16-Nov-15
Gulabgadh	Bilty	1250	1250	1290	1650	NA
Delhi	Hybrid Maize (U.P.)	1325	1310	1300	1600	1550
Davangere	Loose Price	1300	1300	1300	1550	1400
Shimoga	Bilty	1200	1150	1320	1400	1550
Ranebennur	Bilty	1200	1250	1400	1460	NA
Bagalkot	Hybrid/Local	1209	1206	1255	1425	1411
Gadag	Local	1160	1093	1351	1412	1401
Nizamabad	Bilty	1400	1400	Closed	1450	1520
Khanna	Bilty	1350	1200	1310	1680	NA
Sangli	Feed	1240	1290	1480	1465	1530
Ahmadabad	Feed	1270	1300	1410	1450	1550
	Starch	1300	1310	1420	1450	1540

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	16-Nov-17	9-Nov-17	Change
Corn CBOT Prices	Dec-17	132.47	134.44	-1.97
	Mar-18	137.40	139.66	-2.26
	May-18	140.74	143.10	-2.36
	July-18	143.79	146.25	-2.46
	Sep-18	146.65	148.91	-2.26

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