

# 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 8.54 lakh hectares as on 1st December'17 for Rabi season (2017-18) which is higher than 7.78 lakh hectare covered during corresponding period last year. As per farmers sowing intention, in Telangana and Andhra Pradesh regions, maize area likely to be same compared to last year.

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

The material presently arriving in the Nizamabad market contains 30% damaged grains and 10-12% fungus has high moisture content and also fungus infestation in some places. Standard quality maize prices are expected to be steady due to limited trade in major mandi as large traders/stockists too are not actively purchasing. However, village level aggregators continue to collect small quantities from farmers and sell it to feed industry. Thus, feed industry immediate demand continues to be catered through small channel so far.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 1.55 % to Rs. 1312 per quintal (weekly average price) while starch feed makers quoted it firm by 2.45 % to Rs. 1339 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, prices of good quality of maize (loose) are likely to trade at Rs.1300 per quintal for the week.

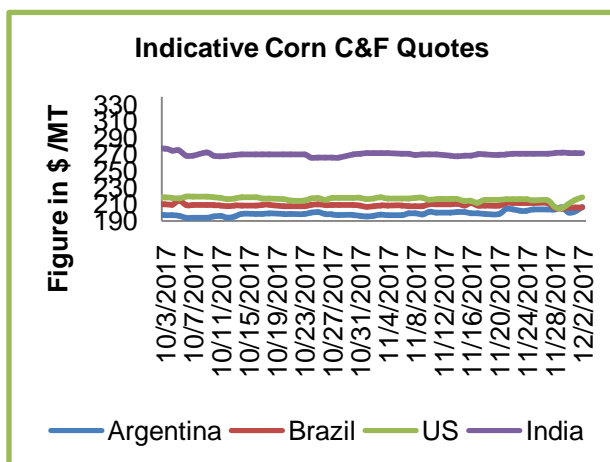
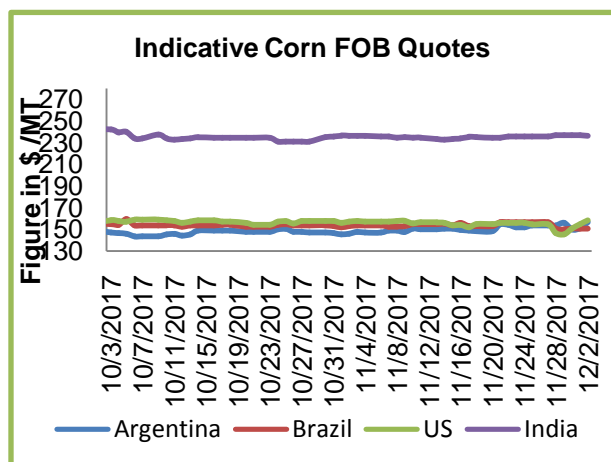
**INTERNATIONAL CORN MARKET SUMMARY**

Corn prices on CBOT fall by 1.38 USD/MT to 134.54 USD/MT compared to last week for December contract. However, it could trade up on the concern over dry weather in Argentina and Southern Brazil.

At 0.65 MMT (for the period 17<sup>th</sup> November –23<sup>rd</sup> November, 2017) U.S corn exports were primarily to Mexico (268,800 MT), Japan (114,700 MT), Peru (111,500 MT), Colombia (70,200 MT), and Costa Rica (28,100 MT).

In U.S, 95% crop of corn has been harvested as of 26th November, 2017, which is lower by 3% than that of corresponding period of last year and last 5 year average period.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.52)				
As on 2.12.2017	Argentina	Brazil	US	India
FOB	156.79	151.00	158.60	236.75
C&F	206.79	206.00	218.60	271.75

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:

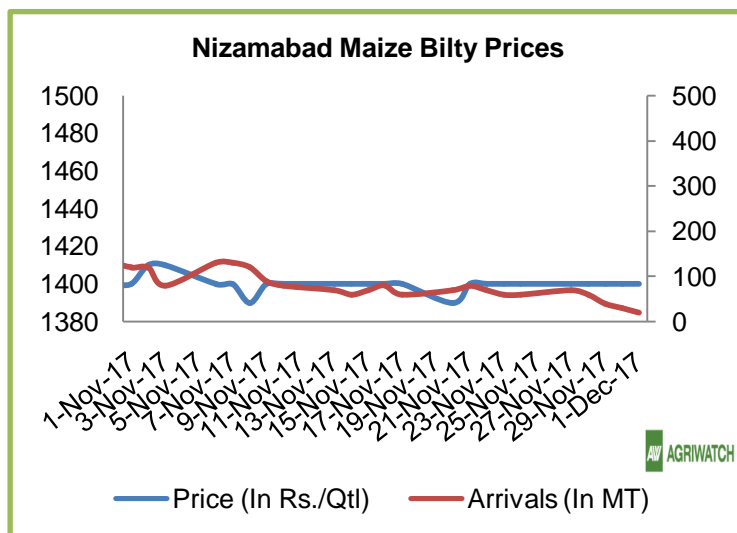
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkata	13000-13250 (Bihar Origin)	N.A

## CURRENT MARKET DYNAMICS:

During the week under review, steady to range bound sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

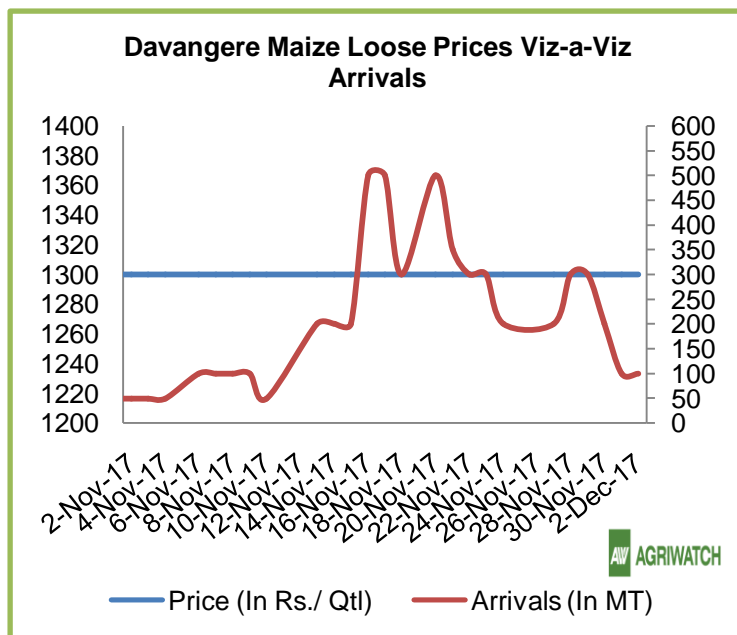
### NIZAMABAD:

- In Nizamabad, maize prices are likely to be steady; Trade remains restricted in major markets as feed industries are getting supply directly from farmers. Maize arriving in to mandis contains 30% damaged grains and 10-12% fungus. As per trade sources, stock of maize in the hands of Private traders could be around 1.25 lakh bags (1 bag=50 kg) which was 2 lakh bags during corresponding period last year.



### KARNATAKA:

- In Davangere, Maize crop contains moisture up to 18% now. About a second of the material arriving in the market is infested with fungus. In the affected lots between 2 to 8% of the grains are infested. As per trade sources, weather conditions have become favorable so dry material is expected to become available soon. It is likely to trade steady amid sluggish demand. As per trade source, stock of maize in the hands of Private traders could be around 10,000 bags (1 bag=100 kg) which was 20,000 bags during corresponding period last year.

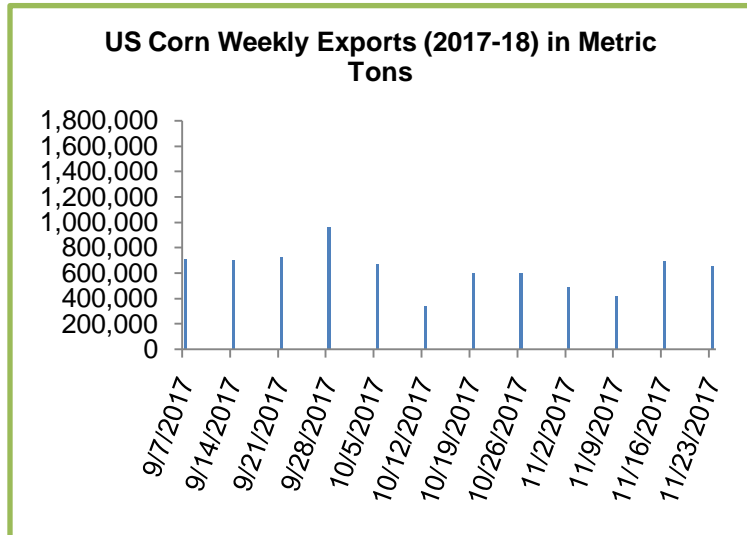


## DOMESTIC MAIZE OUTLOOK:

Standard quality maize prices are likely to remain steady due to limited trade in major mandi.

**INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS**

- As per USDA, U.S corn exports reached 7.49 MMT in the 2017-18 marketing year. At 0.65 MMT (for the period 17<sup>th</sup> November –23<sup>rd</sup> November, 2017) U.S corn exports were primarily to Mexico (268,800 MT), Japan (114,700 MT), Peru (111,500 MT), Colombia (70,200 MT), and Costa Rica (28,100 MT).
- China has bought around 10 to 12 cargoes of mainly U.S. corn in the previous month and is expected to import more corn during 2017/18 because of import parity and high prices of substitute's crops like sorghum and feed barley.
- In U.S, 95% crop of corn has been harvested as of 26th November, 2017, which is lower by 3% than that of corresponding period of last year and last 5 year average period.

**INTERNATIONAL CORN OUTLOOK:**

Corn prices on CBOT are likely to trade up on the concern over dry weather in Argentina and Southern Brazil. However, parts of Argentina's Corn Belt received some beneficial rains during last week but dry weather remains a concern across several regions. As U.S. corn competitive with South American' corn crop. We expect that U.S. export sales would increase and lead to CBOT corn prices.

### 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	30-Nov-17	23-Nov-17	30-Oct-17	30-Nov-16	30-Nov-15
Gulabgadh	Bilty	1225	1250	1250	1625	1600
Delhi	Hybrid Maize (U.P.)	1320	1320	1300	1600	1680
Davangere	Loose Price	1300	1300	1300	1450	1500
Shimoga	Bilty	1200	1200	1320	1450	1550
Ranebennur	Bilty	1250	1220	1320	1500	NA
Bagalkot	Hybrid/Local	1189	1195	1271	1396	1550
Gadag	Local	1160	1173	1170	1370	1489
Nizamabad	Bilty	1400	1400	1400	1450	1546
Khanna	Bilty	1380	1400	1300	1700	NA
Sangli	Feed	1255	1257	1360	1445	1609
Ahmadabad	Feed	1300	1300	1375	1430	1630
	Starch	1340	1300	1350	1475	1650

<b>Maize CBOT Weekly Futures Price Listing (USD/Ton)</b>				
	<b>Contract Month</b>	<b>30-Nov-17</b>	<b>23-Nov-17</b>	<b>Change</b>
<b>Corn CBOT Prices</b>	<b>Dec-17</b>	134.54	135.92	<b>-1.38</b>
	<b>Mar-18</b>	140.05	140.54	<b>-0.49</b>
	<b>May-18</b>	143.20	143.79	<b>-0.59</b>
	<b>July-18</b>	146.25	146.94	<b>-0.69</b>
	<b>Sep-18</b>	149.01	149.80	<b>-0.79</b>

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