

# 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 12.75 lakh hectares as on 22<sup>nd</sup> December'17 for Rabi season (2017-18) which is higher than 12.17 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 4.13 lakh hectares which is higher than 3.97 lakh hectares covered during corresponding period last year. While, in Maharashtra, Karnataka and A.P it has been sown in around 1.56, 0.83 and 1.21 lakh hectares respectively as on 22<sup>nd</sup> December'17 for Rabi season (2017-18).

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

The material presently arriving in the Davangere market contains up to 16% moisture now. About a half of the material arriving in the market is still infested with fungus. In the affected lots between 2 to 8% of the grains are infested.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 2.49 % to Rs. 1331 per quintal (weekly average price) while starch feed makers quoted it down by 2.30 % to Rs. 1358 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. 1230-1250 per quintal for the week.

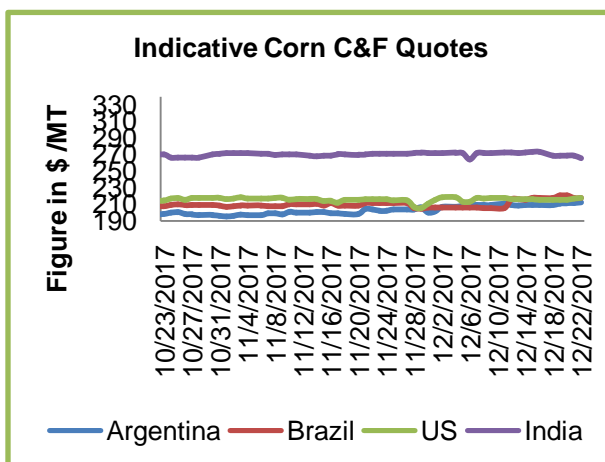
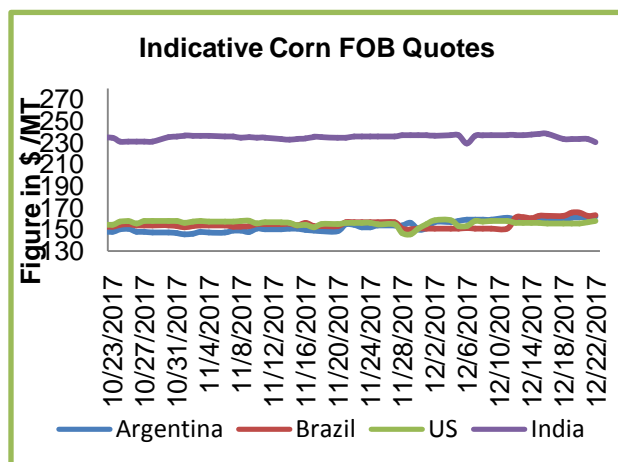
**INTERNATIONAL CORN MARKET SUMMARY**

Corn prices on CBOT rose by 1.08 USD/MT to 138.28 USD/MT compared to last week for March'18 contract.

At 0.70 MMT (for the period 8<sup>th</sup> December –14<sup>th</sup> December, 2017) U.S corn exports were up 2 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to Mexico (311,500 MT), Japan (147,500 MT), Saudi Arabia (73,600 MT), South Korea (61,400 MT), and Colombia (40,600 MT).

China is likely to reduce corn planting area by 1.33 million hectares in 2017 due to excessive corn stock and could shift towards crop like soybean and potatoes which has less stock.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.04)				
As on 22.12.2017	Argentina	Brazil	US	India
FOB	161.91	162.90	157.60	230.60
C&F	211.91	217.90	217.60	265.60

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:

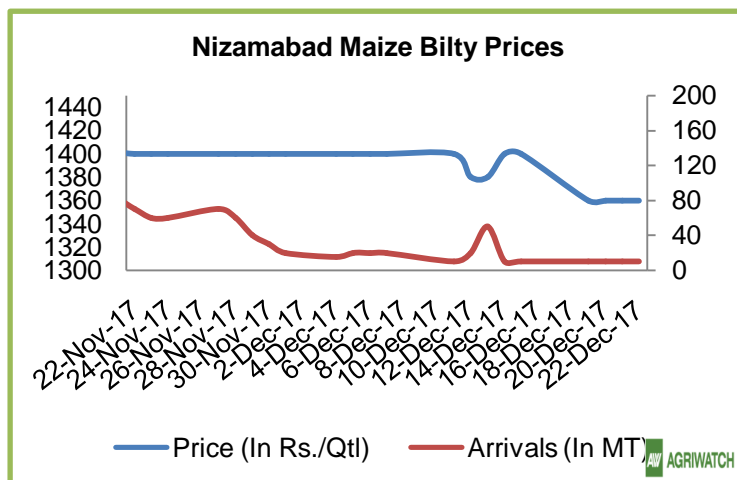
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkata	13750-14000 (Bihar Origin)	N.A

## CURRENT MARKET DYNAMICS:

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

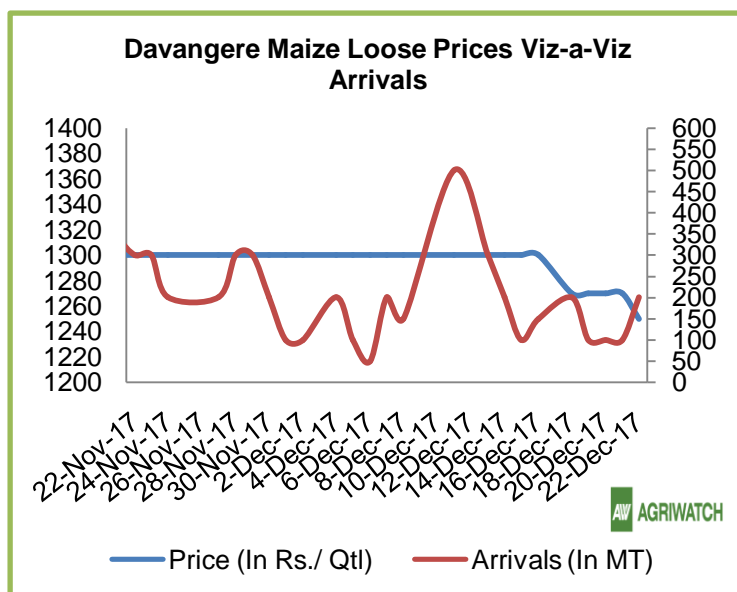
### NIZAMABAD:

- Lower prevailing price in other states has impacted Nizamabad maize market. This is expected that it could trade steady to range bound in near term amid limited trade. As per trade sources, in Telangana and Andhra Pradesh regions, maize area is likely to be same compared to last year.



### KARNATAKA:

- In Davangere, Maize crop contains up to 16% moisture now. About a half of the material arriving in the market is still infested with fungus. In the affected lots between 2 to 8% of the grains are infested. Maize is likely to trade steady to weak due to supply pressure amid sluggish demand of stockiest.

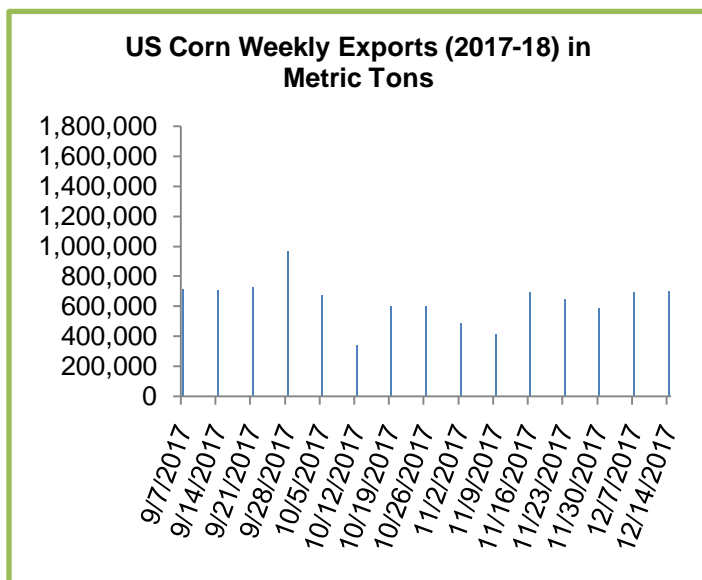


## DOMESTIC MAIZE OUTLOOK:

Standard quality maize prices are likely to be steady to slightly weak amid supply pressure and sluggish demand.

**INTERNATIONALS**
**MARKET:**
**HIGHLIGHTS/CURRENT DEVELOPMENTS**

- As per USDA, U.S corn exports reached 9.47 MMT in the 2017-18 marketing year. At 0.70 MMT (for the period 8<sup>th</sup> December –14<sup>th</sup> December, 2017) U.S corn exports were up 2 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to Mexico (311,500 MT), Japan (147,500 MT), Saudi Arabia (73,600 MT), South Korea (61,400 MT), and Colombia (40,600 MT).



- China is likely to reduce corn planting area by 1.33 million hectares in 2017 due to excessive corn stock and could shift towards crop like soybean and potatoes which has less stock.
- Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 47.1% in the Oct'17 from 46.0% during the corresponding month last year while users' reliance on alternatives such as Sorghum decreased.

**INTERNATIONAL CORN OUTLOOK:**

Corn prices on CBOT rose by 1.08 USD/MT to 138.28 USD/MT compared to last week for March'18 contract.

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1230-1250 per quintal for the week.

### ANNEXURE

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

Market	Grade	21-Dec-17	14-Dec-17	21-Nov-17	21-Dec-16	21-Dec-15
Gulabbagh	Bilty	1290	1300	1250	1625	1600
Delhi	Hybrid Maize (U.P.)	1325	1330	1325	1560	1600
Davangere	Loose Price	1270	1300	1300	1470	1440
Shimoga	Bilty	1260	1250	1200	1430	1400
Ranebennur	Bilty	1220	1225	1240	1470	1408
Bagalkot	Hybrid/Local	1196	1196	1161	1372	1460
Gadag	Local	1185	1178	1176	1388	1406
Nizamabad	Bilty	1360	1400	1400	1450	1530
Khanna	Bilty	1455	1460	1350	1600	NA
Sangli	Feed	1286	1290	1240	1420	1525
Ahmadabad	Feed	1320	1370	1270	1460	1575
	Starch	1350	1400	1300	1510	1600

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	21-Dec-17	14-Dec-17	Change
Corn CBOT Prices	Mar-18	138.28	137.20	1.08
	May-18	141.53	140.45	1.08
	July-18	144.78	143.69	1.09
	Sep-18	147.63	146.45	1.18
	Dec-18	151.08	NA	-

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