

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

As per Ministry of Agriculture, in India, maize has been sown in around 13.57 lakh hectares as on 29th December'17 for Rabi season (2017-18) which is higher than 13.15 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 4.31 lakh hectares which is higher than 4.27 lakh hectares covered during corresponding period last year. While, in Maharashtra, Karnataka and A.P it has been sown in around 1.57, 0.87 and 1.45 lakh hectares respectively as on 29th December'17 for Rabi season (2017-18).

Overall maize cash markets traded steady to slightly 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 60% 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 while in Nizamabad, about 10-12% of the material is damaged grains and infested with fungus.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 1.42 % to Rs. 1323 per quintal (weekly average price) while starch feed makers quoted it down by 2.20 % to Rs. 1336 per quintal compared to last week average price.

RECOMMENDATION:

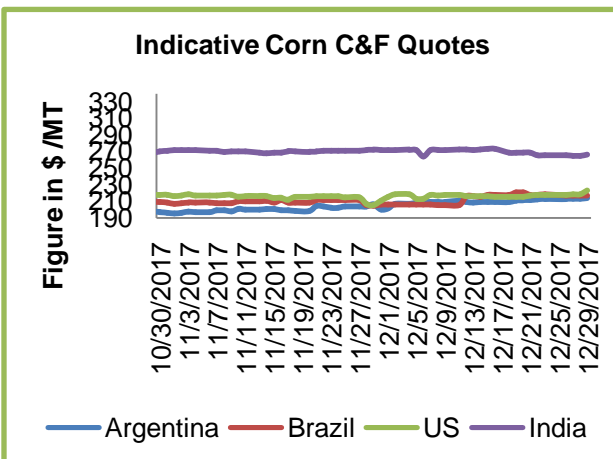
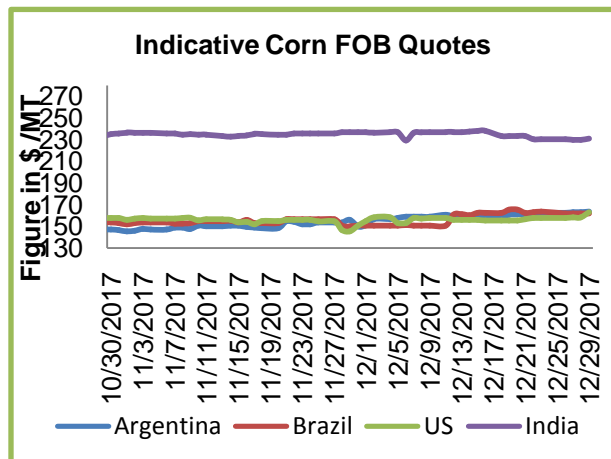
Weekly Call - : Market participants are advised to wait as there is no trade volume in near future contract. In Davangere cash market, prices of good quality of maize (loose) are likely to trade at Rs. 1230-1250 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 0.30 USD/MT to 138.58 USD/MT compared to last week for March'18 contract.

At 0.52 MMT (for the period 15th December –21st December, 2017) U.S corn exports were down 26 percent from the previous week and 21 percent from the prior 4-week average. The destinations were primarily to Colombia (129,000 MT), Japan (127,900 MT), Mexico (101,500 MT), Peru (69,000 MT), and the Philippines (40,900 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 63.92)				
As on 29.12.2017	Argentina	Brazil	US	India
FOB	163.68	162.20	162.99	231.03
C&F	213.68	217.20	222.99	266.03

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:

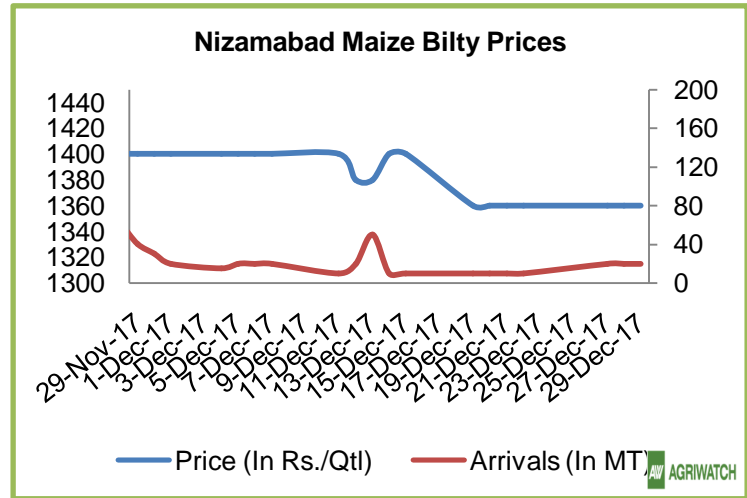
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkata	13750-14000 (Bihar Origin)	N.A

CURRENT MARKET DYNAMICS:

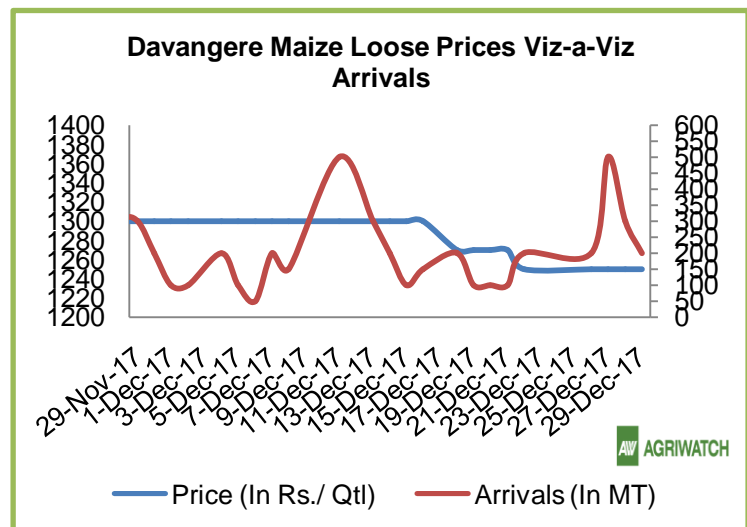
During the week under review, steady to slightly weak sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

NIZAMABAD:

- In Nizamabad, Maize crop is likely to trade steady to range bound in near term. As per trade source, stock of maize could be around 25000 MT and 2500 MT in the hands of Government and Private Traders respectively.

KARNATAKA:

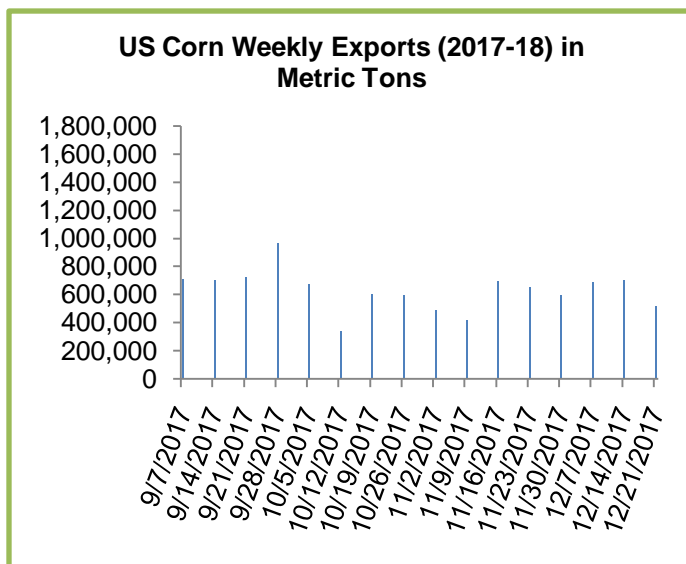
- In Davangere, Maize crop contains up to 16% moisture now. About 60% of the material arriving in the market is still infested with fungus. In the affected lots, between 2 to 8% of the grains are infested. Maize is likely to trade steady to weak due to supply pressure amid sluggish demand of stockiest.

DOMESTIC MAIZE OUTLOOK:

Standard quality maize prices are likely to be steady to range bound despite supply pressure and sluggish demand.

INTERNATIONALS
MARKET:
HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 10.00 MMT in the 2017-18 marketing year. At 0.52 MMT (for the period 15th December –21st December, 2017) U.S corn exports were down 26 percent from the previous week and 21 percent from the previous 4-week average. The destinations were primarily to Colombia (129,000 MT), Japan (127,900 MT), Mexico (101,500 MT), Peru (69,000 MT), and the Philippines (40,900 MT).


INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 0.30 USD/MT to 138.58 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	28-Dec-17	21-Dec-17	28-Nov-17	28-Dec-16	28-Dec-15
Gulabbagh	Bilty	1250	1270	1200	1600	1600
Delhi	Hybrid Maize (U.P.)	1320	1325	1320	1550	1660
Davangere	Loose Price	1250	1270	1300	1470	1420
Shimoga	Bilty	NA	1260	1200	1420	1400
Ranebennur	Bilty	NA	1200	1250	1479	1430
Bagalkot	Hybrid/Local	1180	1196	1195	1409	1430
Gadag	Local	1176	1185	1176	1386	1385
Nizamabad	Bilty	1360	1360	1400	1470	1540
Khanna	Bilty	1450	1455	1360	1600	NA
Sangli	Feed	1290	1286	1255	1450	1540
Ahmadabad	Feed	1310	1320	1300	1500	1620
	Starch	1325	1350	1320	1525	1625

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	28-Dec-17	21-Dec-17	Change
Corn CBOT Prices	Mar-18	138.58	138.28	0.30
	May-18	141.82	141.53	0.29
	July-18	145.27	144.78	0.49
	Sep-18	148.22	147.63	0.59
	Dec-18	151.76	151.08	0.68

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