

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 14.42 lakh hectares as on 5th January'18 for Rabi season (2017-18) which is higher than 13.97 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 4.52 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 1.76, 0.96 and 1.55 lakh hectares respectively as on 5th January'18 for Rabi season (2017-18).

Overall maize cash markets traded steady to slightly weak during the week and are expected to be steady to slightly weak in near term too as maize crop from Tamil Nadu is expected to arrive after mid-January, which could keep pressure on market sentiments.

About a 70% of the material arriving in the Davangere 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 0.68 % to Rs. 1314 per quintal (weekly average price) while starch feed makers quoted it firm by 0.45 % to Rs. 1342 per quintal compared to last week average price.

RECOMMENDATION:

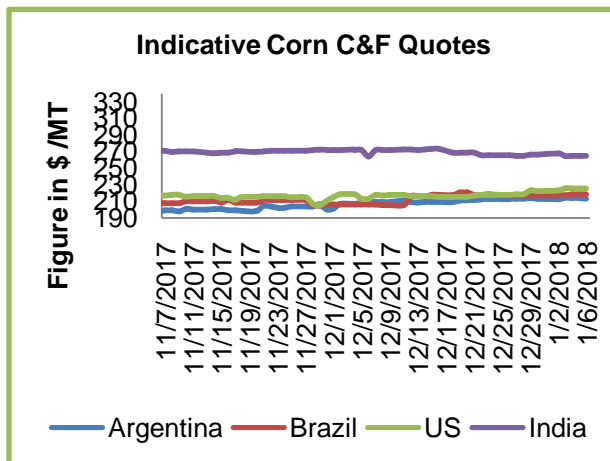
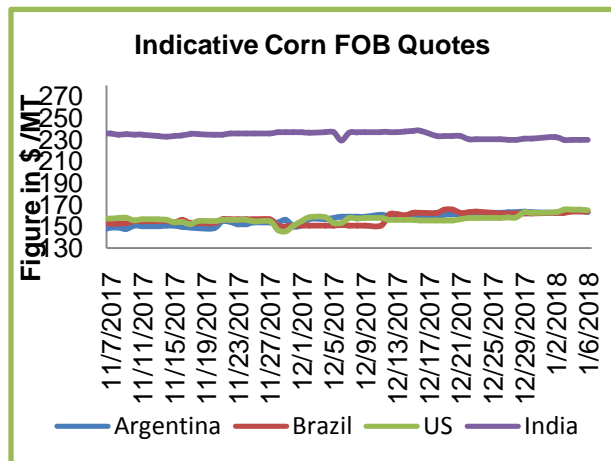
Weekly Call - : Market participants are advised to wait as there is no trade volume in near future contract. In Davangere cash market, prices of good quality of maize (loose) are likely to trade at Rs. 1210-1230 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 0.39 USD/MT to 138.97 USD/MT compared to last week for March'18 contract.

At 0.65 MMT (for the period 22nd December –28th December, 2017) U.S corn exports were up 26 percent from the previous week and 5 percent from the prior 4-week average. The destinations were primarily to Mexico (185,900 MT), Japan (148,600 MT), South Korea (131,000 MT), Peru (52,200 MT), and Guatemala (36,800 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 63.35)				
As on 6.1.2018	Argentina	Brazil	US	India
FOB	162.99	163.50	165.10	229.91
C&F	212.99	218.50	225.10	264.91

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:

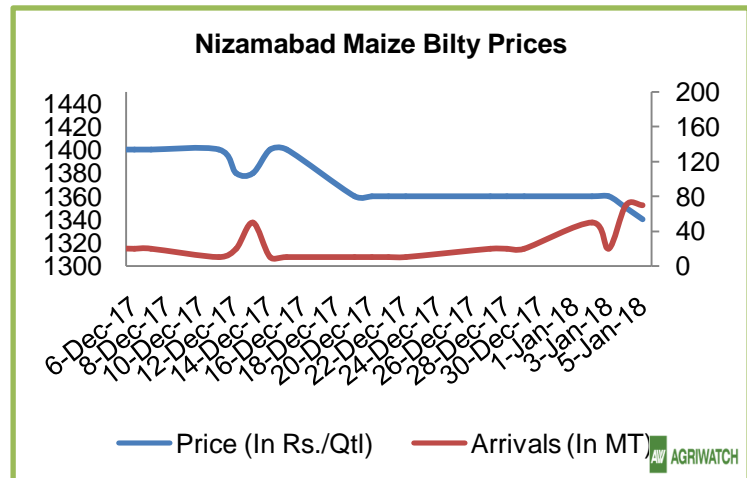
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkata	13750-14000 (Bihar Origin)	N.A

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:

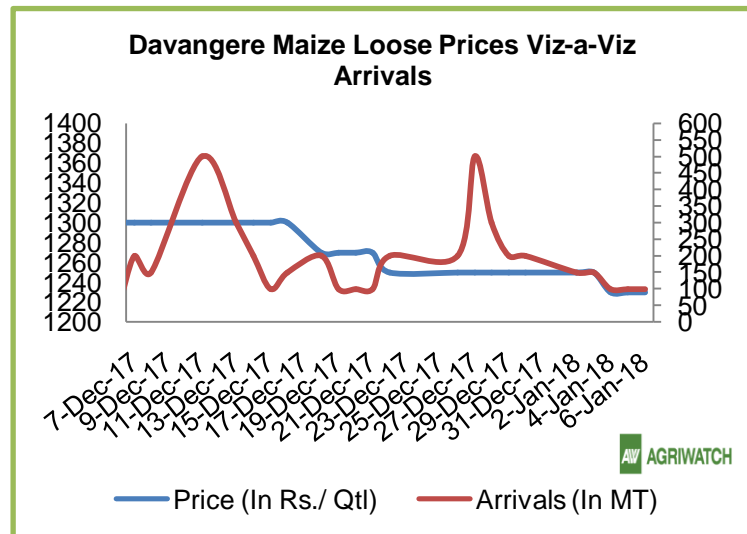
NIZAMABAD:

- In Nizamabad, Maize is likely to trade slightly weak in near term by taking cues from other states. 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, about a 70% 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 weak due to supply pressure. Besides, demand of stockiest remains low due to issues with quality.

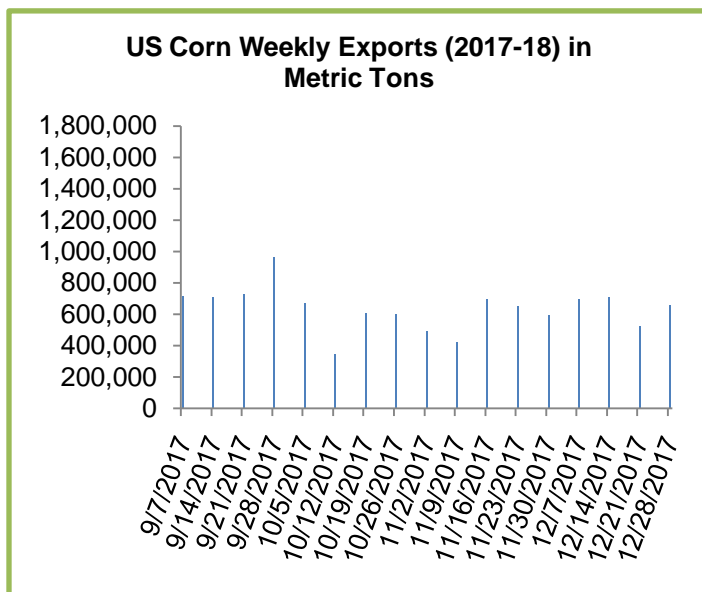


DOMESTIC MAIZE OUTLOOK:

Standard quality maize prices are likely to be steady to slightly weak by taking cues from other states amid limited trade in major mandis.

INTERNATIONALS
MARKET:
HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 10.65 MMT in the 2017-18 marketing year. At 0.65 MMT (for the period 22nd December – 28th December, 2017) U.S corn exports were up 26 percent from the previous week and 5 percent from the previous 4-week average. The destinations were primarily to Mexico (185,900 MT), Japan (148,600 MT), South Korea (131,000 MT), Peru (52,200 MT), and Guatemala (36,800 MT).


INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 0.39 USD/MT to 138.97 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. 1210-1230 per quintal for the week.

ANNEXURE
MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	4-Jan-18	28-Dec-17	4-Dec-17	4-Jan-17	4-Jan-16
Gulabbagh	Bilty	1250	1250	1270	1640	1600
Delhi	Hybrid Maize (U.P.)	1320	1320	1310	1580	NA
Davangere	Loose Price	1230	1250	NA	1520	NA
Shimoga	Bilty	1300	1300	1200	1430	1400
Ranebennur	Bilty	NA	1220	1200	1485	1430
Bagalkot	Hybrid/Local	1136	1180	1209	1429	1421
Gadag	Local	NA	1165	1221	1425	1576
Nizamabad	Bilty	1350	1360	1400	1450	1530
Khanna	Bilty	1450	1450	1360	1610	NA
Sangli	Feed	1274	1290	1260	1473	1565
Ahmadabad	Feed	1300	1310	1350	1525	1590
	Starch	1340	1325	1350	1565	1600

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	3-Jan-18	27-Dec-17	Change
Corn CBOT Prices	Mar-18	138.97	138.58	0.39
	May-18	142.22	141.82	0.40
	July-18	145.47	145.27	0.20
	Sep-18	148.42	148.22	0.20
	Dec-18	151.96	151.76	0.20

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