



# Maize Weekly Research Report

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

Overall maize cash markets traded steady to slightly firm during the week and is likely to trade steady to slightly firm in the near term amid high demand from feed makers. New crop arrival is likely to put little bit pressure on market sentiments. However, feed makers demand and Government procurement at new MSP might lend support going ahead. As per trade sources, Maize is moving towards Haryana, Punjab at Rs. 1490 per quintal each while Rajasthan and U.P at Rs. 1500 and Rs. 1450 per quintal (Delivered price) respectively, sourced from Bihar. Maize is likely to trade firm in the near term due to high feed makers demand.

In Karnataka, small arrivals of new crop have started in Hassan, Mysore and Periyapatna and Davangere districts. The arrivals contain 25-30% moisture. In Sangli region of Maharashtra, new crop of maize contain moisture up to 25%. In Nizamabad, it contains moisture up to 22%.

**KHARIF SOWING COVERAGE:**

Across India, maize has been sown in 79.23 lakh hectares as on 20th September 2018 which is slightly lower than 79.28 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 11.60 lakh hectare which is higher than 11.31 lakh hectare covered during corresponding period last year. In M.P, it has been sown in 13.61 lakh hectares which is higher than 13.17 lakh hectares during corresponding period last year. In Rajasthan, it has been sown in 8.71 lakh hectares which is higher than 8.56 lakh hectare covered during corresponding period last year. However, In Maharashtra, it has been sown in 8.29 lakh hectares which is lower than 9.14 lakh hectares covered during corresponding period last year. In A.P, Maize is at pod development to pod maturity and harvesting stage. Current sowing stands at 104% to season normal. In Telangana, maize has been sown in around 4.62 lakh hectares as on 26th September 2018 which is slightly higher than 4.51 lakh hectare covered during corresponding period last year. Maize is at grain hardening stage. Current sowing stands at 86% to season normal.

**RECOMMENDATION:**

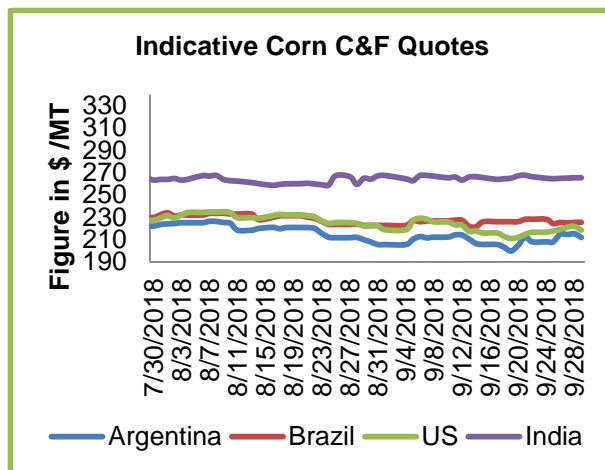
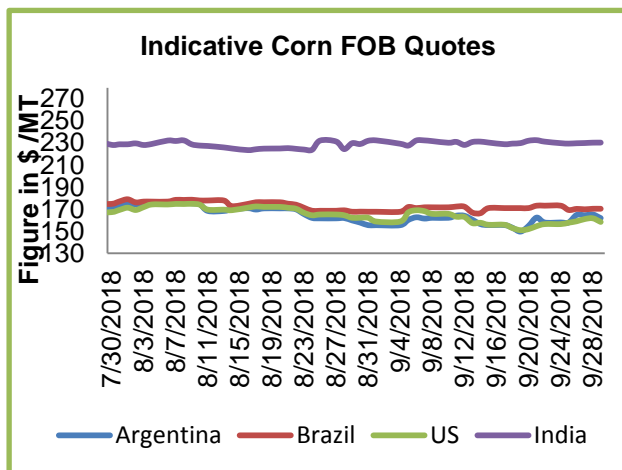
Weekly Call - : Market participants are advised to go long in Maize for October contract near 1360 levels for a target of 1370 and 1375 with a stop loss at 1354 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1430-1460 per quintal for the week.

**INTERNATIONAL CORN MARKET SUMMARY**

In U.S, 69% of corn is in good to excellent condition, up by 1% compared to last week and 8% compared to corresponding period last year. 16% crop of corn has been harvested, which is 6% higher compared to corresponding period last year.

At 1.36 MMT (for the period 14th September- 20th September, 2018) US corn exports were up around 26% from the previous week; mainly for the destinations like Mexico (342,700 MT), Japan (272,500 MT), Egypt (163,500 MT), Taiwan (139,300 MT), and South Korea (129,700 MT).

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 72.53)				
As on 29.09.2018	Argentina	Brazil	US	India
FOB	161.91	170.40	158.44	230.39
C&F	211.91	225.40	218.44	265.39

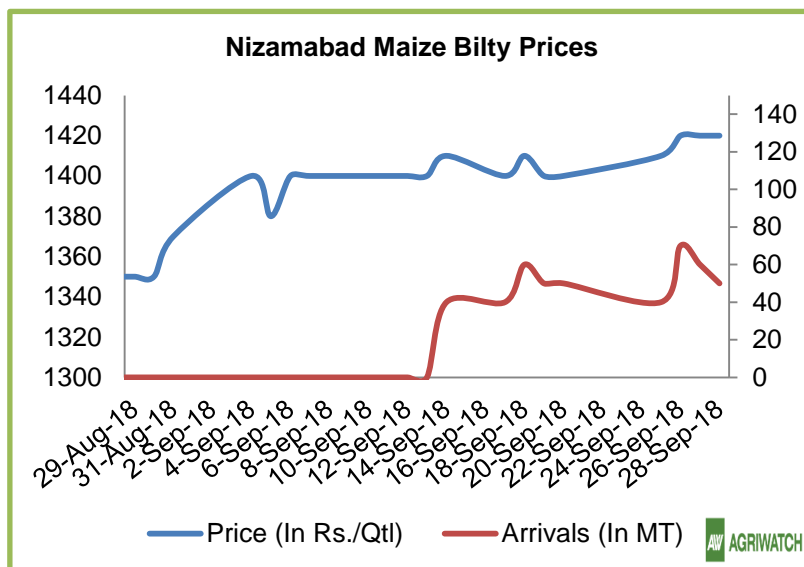
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

## CURRENT MARKET DYNAMICS:

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

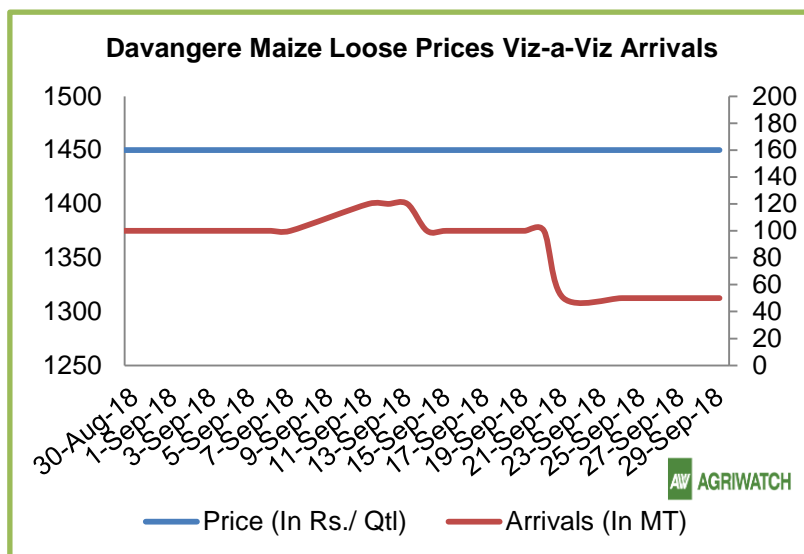
### ANDHRA PRADESH & TELANGANA:

- In A.P and Nizamabad, maize prices are likely to trade steady to range bound in the near term as new crop arrival could keep little bit pressure but feed makers demand and expectation of Government procurement at new MSP likely to support market in the near term. In Nizamabad, poultry feed makers are buying maize at Rs. 1420 per quintal while local starch feed makers are buying at Rs. 1320-1330 per quintal. As per trade sources, In Nizamabad, small arrivals of new crop have started; contain moisture up to 22%.



### KARNATAKA:

- In Karnataka, small arrivals of new crop have started in Hassan, Mysore and Periyapatna and Davangere districts. The arrivals contain 25-30% moisture. In Davangere, stock of maize could be around 1 lakh quintal which was 3 lakh quintals compared to corresponding period last year.

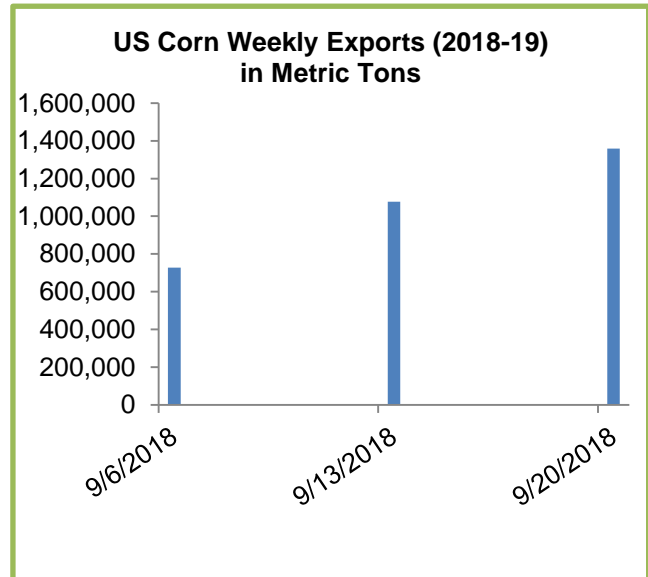


## DOMESTIC MAIZE OUTLOOK:

Prices of standard quality maize are likely to be steady to slightly firm in the near term.

**INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS**

- As per USDA, U.S corn exports reached 3.16 MMT in the 2018-19 marketing year. At 1.36 MMT (for the period 14th September- 20th September, 2018) US corn exports were up around 26% from the previous week; mainly for the destinations like Mexico (342,700 MT), Japan (272,500 MT), Egypt (163,500 MT), Taiwan (139,300 MT), and South Korea (129,700 MT).
- IGC increased its global corn production forecast by 10 MMT to 1074 MMT compared to previous forecast for 2018/19. Forecast for global corn ending stock was also increased by 5 MMT to 261 MMT compared to last forecast for 2018/19 which could weigh on international corn market.
- In U.S, Crop of corn has matured 72% as of 23rd September, 2018, which is higher by 23% compared to corresponding period last year. 97% crop of corn has denting as of 23rd September, 2018 which is higher by 5% compared to corresponding period last year. 69% of corn is in good to excellent condition, up by 1% compared to last week and 8% compared to corresponding period last year. 16% crop of corn has been harvested, which is 6% higher compared to corresponding period last year.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT rose by 4.83 USD/ MT to 143.60 USD/MT for December'18 contract compared to last week due to increase in export demand for U.S corn. However, expansion in corn harvest is likely to put pressure on CBOT corn market.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(October Contract Weekly Chart)**

- Candlestick depicts range bound situation in the market.
- RSI is moving up in neutral region indicates to firmness in the market.
- Prices closed above 9 days EMAs.
- Strategy: Buy near 1360 for target 1370 and 1375 in the near term.

**Strategy: Buy**
**Maize NCDEX (October)**

Support & Resistance				
S2	S1	PCP	R1	R2
1336	1350	1365	1379	1393

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1430-1460 per quintal for the week.

### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	27-Sep-18	20-Sep-18	27-Aug-18	27-Sep-17	27-Sep-16
Gulabbagh	Bilty	1350	1350	1260	1300	1625
Delhi	Hybrid Maize (U.P.)	1400	1400	1350	1300	1550
Davangere	Loose Price	1450	1450	1450	1350	1800
Shimoga	Bilty	NA	1460	NA	1350	NA
Ranebennur	Bilty	1420	NA	1475	1380	1800
Bagalkot	Hybrid/Local	NA	NA	1300	NA	NA
Gadag	Local	1136	NA	1120	NA	NA
Nizamabad	Bilty	1420	1400	1350	1425	1870
Khanna	Bilty	1360	1390	1410	1280	1610
Sangli	Feed	1586	1580	1603	1450	1920
Ahmedabad	Feed	1550	1550	1450	1450	1710
	Starch	1540	1530	1450	1390	1650

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	27-Sep-18	20-Sep-18	Change
Corn CBOT Prices	Dec-18	143.60	138.77	4.83
	Mar-19	148.22	143.6	4.62
	May-19	151.17	146.75	4.42
	Jul-19	153.24	149.21	4.03
	Sep-19	154.62	151.17	3.45

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