



# 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 Rajasthan, Punjab at Rs. 1550-1575 per quintal each while U.P at Rs. 1450-1475 per quintal (Delivered price), sourced from Bihar. Maize is likely to trade steady to firm in the near term due to high feed makers demand.

In M.P, maize market is likely to trade firm due to start of buying under Bhavantar Yojna from 20th October'18, and expected buying by stockists. Trade sources revealed that forward contract has been made for the month of November'18 at Rs. 1500 per quintal for the North India. All these developments would keep cash maize market at the positive side in the near term.

As per trade sources, in Nizamabad, 5 % crop is affected by insect; rest contain moisture up to 18%. In Davangere, maize arrivals contain moisture up to 22%.

**EXPORTS:**

As per trade sources, India exported 28,941 MT of maize for the month of August'18 at an average FoB of \$201.63/ MT. Indian maize is exported mainly to Nepal followed by Sri Lanka, Philippines and Qatar mainly through Raxaul followed by Kakinada, Mundra, JNPT and Kandla port.

**RECOMMENDATION:**

Weekly Call - : Market participants are advised to go long in Maize for November contract near 1502 levels for a target of 1522 and 1532 with a stop loss at 1490 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1450-1500 per quintal for the week.

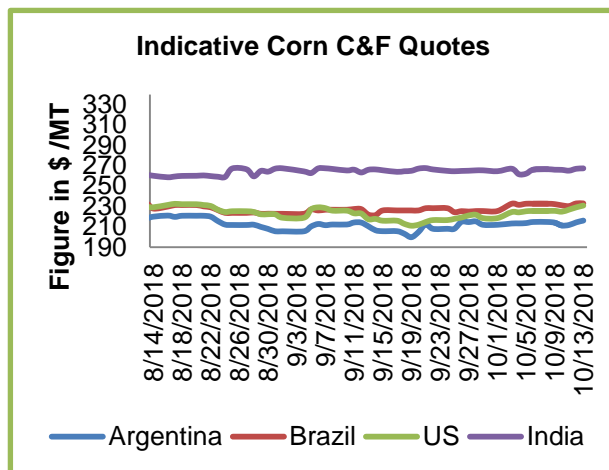
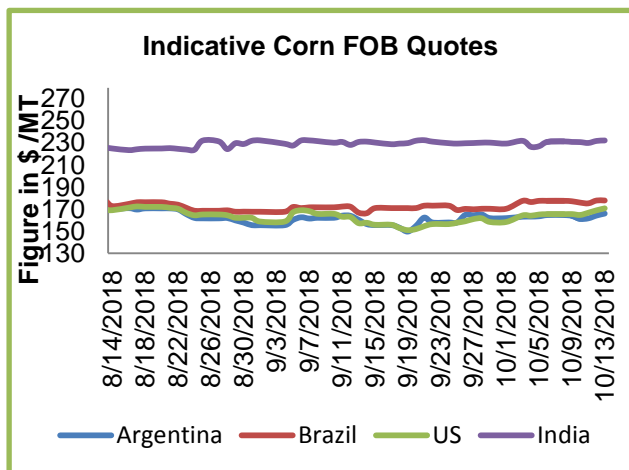
**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT rose by 0.69 USD/ MT to 145.37 USD/MT for December'18 contract compared to last week due to increase in export demand for U.S corn.

USDA increased its corn ending stock estimates for U.S by 0.99 MMT to 46.06 MMT for 2018/19 compared to last month forecast as it decreased its domestic consumption estimates by 0.64 MMT to 322.09 MMT for 2018/19.

In U.S, 68% of corn is in good to excellent condition, down by 1% compared to last week but up by 4% compared to corresponding period last year. 34% crop of corn has been harvested, which is 13% higher compared to corresponding period last year.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.66)				
As on 13.10.2018	Argentina	Brazil	US	India
FOB	166.04	177.90	170.80	232.34
C&F	216.04	232.90	230.80	267.34

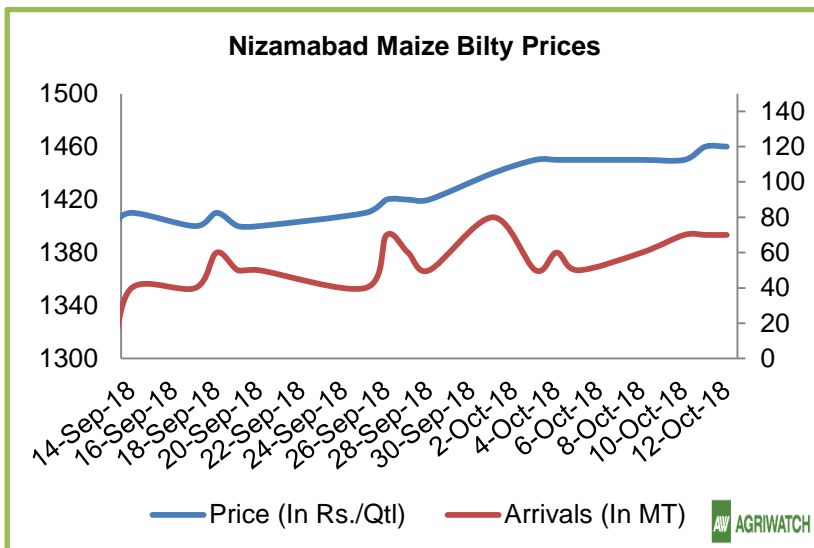
As depicted by the above data, there is no parity for Indian maize as gap of prices between India and other exporting countries has broadened.

## 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:

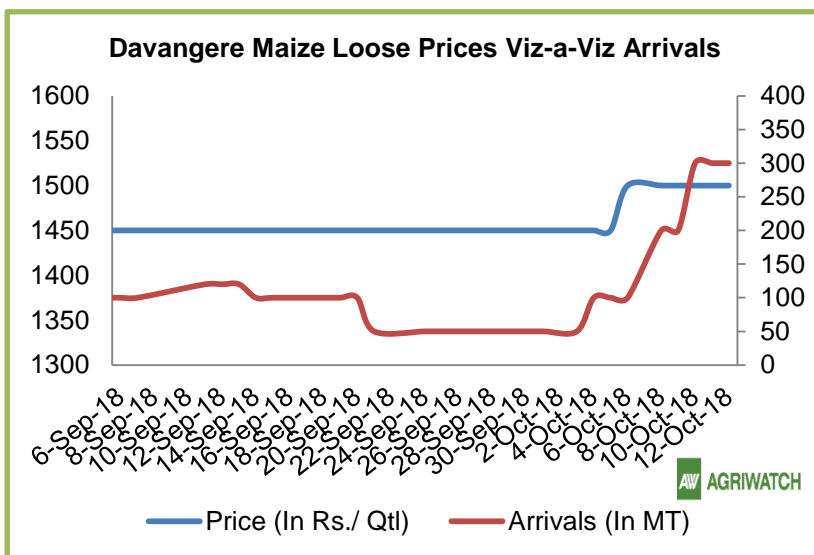
### ANDHRA PRADESH & TELANGANA:

- In Nizamabad, poultry feed makers are buying maize at Rs. 1450-1475 per quintal while local starch feed makers are buying at Rs. 1350-1370 per quintal. As per trade sources, in Nizamabad, 5% crop is affected by insect; rest contain moisture up to 18%. In Nizamabad, Government has started procurement of maize at new MSP.



### KARNATAKA:

- In Davangere, maize arrivals contain moisture up to 22%. Trade sources revealed that stock of maize in Karnataka could be around 2 lakh quintals.

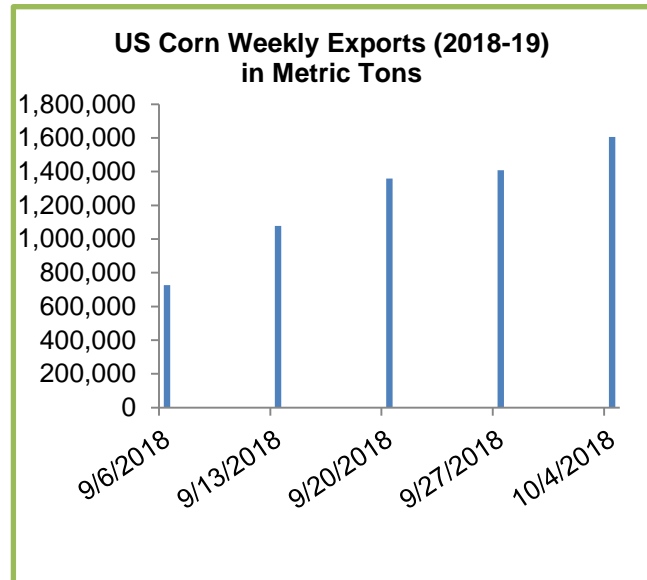


## DOMESTIC MAIZE OUTLOOK:

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 6.18 MMT in the 2018-19 marketing year. At 1.61 MMT (for the period 28th September- 04th October, 2018) US corn exports were up by 14% from the previous week; mainly for the destinations like Mexico (442,300 MT), Japan (332,600 MT), South Korea (328,600 MT), Egypt (146,900 MT), and Colombia (135,800 MT).
- In U.S, Crop of corn has matured 93% as of 7th October, 2018, which is higher by 13% compared to corresponding period last year. 68% of corn is in good to excellent condition, down by 1% compared to last week but up by 4% compared to corresponding period last year. 34% crop of corn has been harvested, which is 13% higher compared to corresponding period last year.
- Despite decrease in U.S corn production estimate; USDA increased its corn ending stock estimates for U.S by 0.99 MMT to 46.06 MMT for 2018/19 compared to last month forecast as it decreased its domestic consumption estimates by 0.64 MMT to 322.09 MMT for 2018/19.



### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 0.69 USD/ MT to 145.37 USD/MT for December'18 contract compared to last week due to increase in export demand for U.S corn.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(November Contract Weekly Chart)**

- Candlestick depicts firm situation in the market.
- Increase in prices with higher volume and OI indicates to long build up.
- Strategy: Buy near 1502 for target 1522 and 1532 in the near term.

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

Support & Resistance				
S2	S1	PCP	R1	R2
1420	1464	1508	1538	1568

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1450-1500 per quintal for the week.

### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	11-Oct-18	4-Oct-18	11-Sep-18	11-Oct-17	11-Oct-16
Gulabbagh	Bilty	1410	1350	1350	1290	Closed
Delhi	Hybrid Maize (U.P.)	1400	1400	1400	1300	1550
Davangere	Loose Price	1500	1450	1450	1300	Closed
Shimoga	Bilty	1460	1470	NA	1310	Closed
Ranebennur	Bilty	1510	1450	1460	1350	Closed
Bagalkot	Hybrid/Local	1406	1403	1360	1251	Closed
Gadag	Local	1376	1361	NA	1251	Closed
Nizamabad	Bilty	1460	1450	1400	1410	Closed
Khanna	Bilty	NA	1410	1400	1300	1610
Sangli	Feed	1546	1582	1600	1480	1650
Ahmedabad	Feed	1570	1550	NR	1420	1650
	Starch	1550	1500	NR	1400	1750

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	11-Oct-18	4-Oct-18	Change
Corn CBOT Prices	Dec-18	145.37	144.68	0.69
	Mar-19	150.09	149.3	0.79
	May-19	152.95	152.16	0.79
	Jul-19	155.11	154.23	0.88
	Sep-19	156.29	155.5	0.79

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