



# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

More or less steady sentiments witnessed in major maize cash markets and are likely to trade steady to slightly firm in the near term amid high demand from feed makers. New crop arrivals have started in A.P, Karnataka, and Maharashtra and Rajasthan region. New crop arrivals are likely to put little bit pressure on market sentiments. Currently, in each state, prices are varying as per the quality parameter like moisture which is another discounting factor; In Chhindwara region of M.P, maize crop contains moisture up to 14.5% while in Davangere region of Karnataka and Kota region of Rajasthan, it contains moisture up to 20%. On the other hand; industrial feed makers and stockists demand amid Government procurement in Telangana and Bhavantar Yojna in M.P could be supportive to keep maize at steady to slightly firm level. In Karnataka, trade sources revealed that there is less chance of procurement by Government and the confirmation of that is expected after 20-30 days. In Telangana, government is actively procuring maize; hence arrivals in open markets are low. Most of the material arriving in open market is of low quality that falls outside the parameters fixed by the government for procurement.

### TRADE SCENARIO

From the trade point of view, In Nizamabad, poultry feed makers are buying maize at Rs. 1470 per quintal while local starch feed makers are buying at Rs. 1430 per quintal. Maize is moving towards Hyderabad at Rs. 1650 per quintal. Meanwhile, it is moving towards Haryana and Punjab at Rs. 1650 per quintal each (Delivered price), sourced from Bihar. As per trade source, traders from Vijayawada region of A.P. are looking the opportunity to buy it from M.P. As in M.P, forward contract are already being made for the month of November'18 at Rs. 1500 per quintal for the North India which could support the M.P market.

### RECOMMENDATION:

Weekly Call - : Market participants are advised to wait as there is no trade volume on the NCDEX platform. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1420-1450 per quintal for the week.

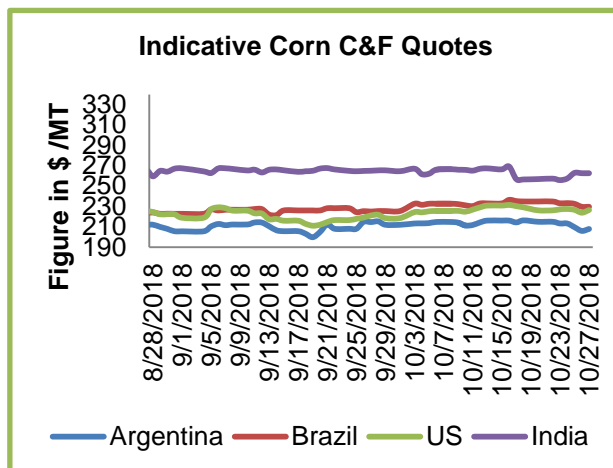
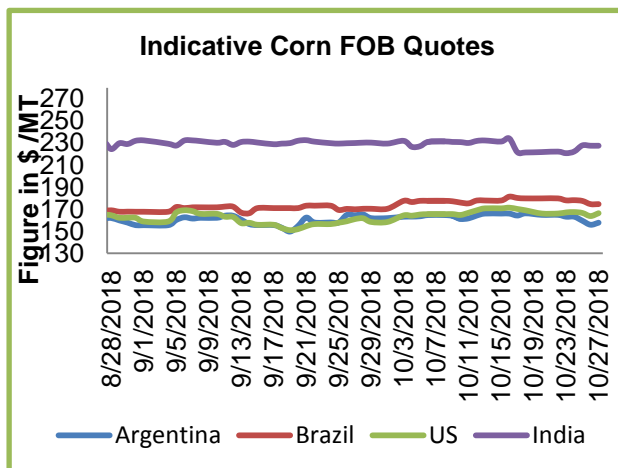
### INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 0.30 USD/ MT to 144.78 USD/MT for December'18 contract compared to last week due to increase in export demand for U.S corn.

At 1.21 MMT (for the period 12th October- 18th October, 2018) US corn exports were firm by 10.25% from the previous week; mainly for the destinations like to Mexico (405,000 MT), Colombia (201,500 MT), Japan (174,200 MT), Taiwan (86,200 MT), and South Korea (66,100 MT).

In U.S, 49% crop of corn has been harvested as of 21st October, 2018, which is higher by 12% compared to corresponding period last year. 68% of corn is in good to excellent condition, same compared to last week but up by 2% compared to corresponding period last year.

### EXPORT PARITY TREND



| Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.11) |           |        |        |        |
|--|-----------|--------|--------|--------|
| As on 27.10.2018   | Argentina | Brazil | US     | India  |
| FOB  | 157.78    | 174.60 | 166.40 | 227.56 |
| C&F  | 207.78    | 229.60 | 226.40 | 262.56 |

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:

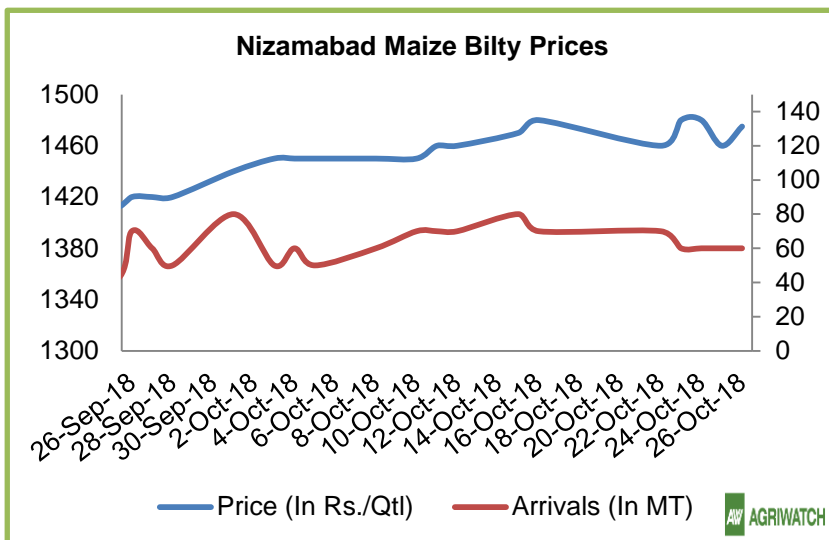
During the week under review, steady sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

### ANDHRA PRADESH & TELANGANA:

- In Telangana, government is actively procuring maize; hence arrivals in open markets are low. Most of the material arriving in open market is of low quality that falls outside the parameters fixed by the government for procurement.
- In A.P, maize crop arrivals have started in Rayalseema, Vizianagaram and Godawari districts.

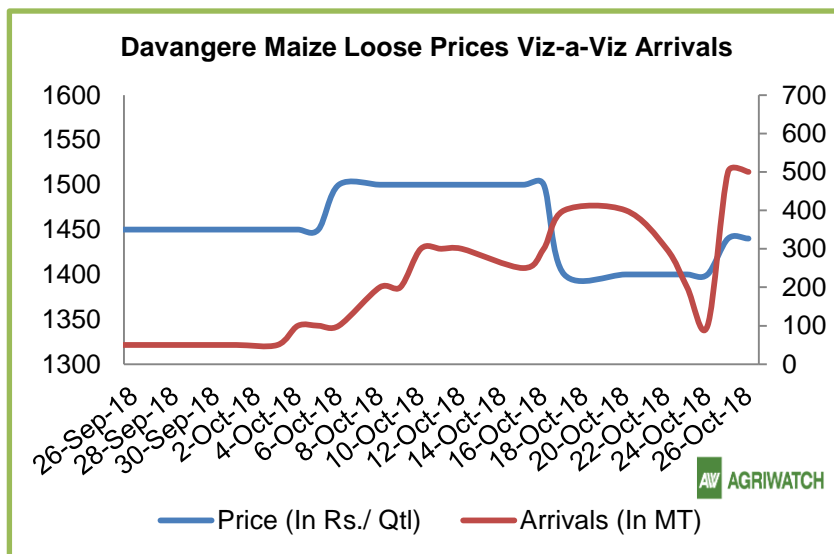
Maize crop contains moisture up to 17%.

- In Nizamabad, poultry feed makers are buying maize at Rs. 1470 per quintal while local starch feed makers are buying at Rs. 1430 per quintal. Maize is moving towards Hyderabad at Rs. 1650 per quintal. As per trade sources, in Nizamabad, arrival contain moisture up to 17% and grain is damaged around 8-10%.



### KARNATAKA:

- In Davangere region of Karnataka, trade sources revealed that there is less chance of procurement by Government. The confirmation is expected after 20-30 days.



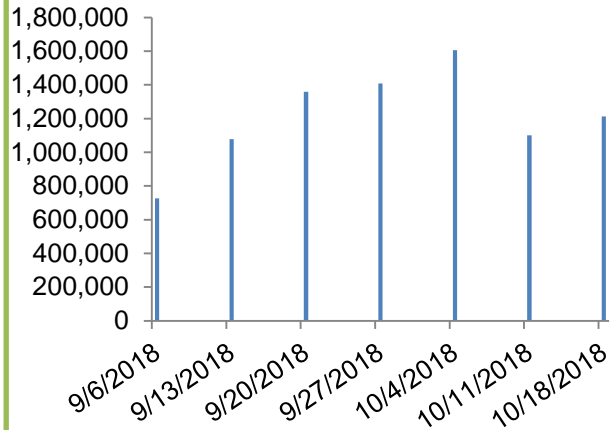
## DOMESTIC MAIZE OUTLOOK:

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 8.49 MMT in the 2018-19 marketing year. At 1.21 MMT (for the period 12th October-18th October, 2018) US corn exports were firm by 10.25% from the previous week; mainly for the destinations like to Mexico (405,000 MT), Colombia (201,500 MT), Japan (174,200 MT), Taiwan (86,200 MT), and South Korea (66,100 MT).
- In U.S, 49% crop of corn has been harvested as of 21st October, 2018, which is higher by 12% compared to corresponding period last year. 68% of corn is in good to excellent condition, same compared to last week but up by 2% compared to corresponding period last year.

**US Corn Weekly Exports (2018-19)  
in Metric Tons**



### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 0.30 USD/ MT to 144.78 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)**

- Doji candlestick depicts indecision situation in the market.
- Prices closed above 9 days EMAs.
- But, volumes are not supporting to the prices.
- Strategy: Market Participants are advised to wait.

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

| Support & Resistance |      |      |      |      |
|----------------------|------|------|------|------|
| S2                   | S1   | PCP  | R1   | R2   |
| 1503                 | 1515 | 1526 | 1543 | 1561 |

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1420-1450 per quintal for the week.

### ANNEXURE

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

| Maize(Corn)Weekly Prices: |                     |           |           |           |           |           |
|---------------------------|---------------------|-----------|-----------|-----------|-----------|-----------|
| Market                    | Grade               | 25-Oct-18 | 18-Oct-18 | 25-Sep-18 | 25-Oct-17 | 25-Oct-16 |
| Gulabbagh                 | Bilty               | NR        | NR        | 1350      | NA        | 1525      |
| Delhi                     | Hybrid Maize (U.P.) | 1500      | 1500      | 1400      | 1310      | 1500      |
| Davangere                 | Loose Price         | 1440      | 1400      | 1450      | 1300      | 1400      |
| Shimoga                   | Bilty               | 1460      | 1490      | NA        | 1320      | NA        |
| Ranebennur                | Bilty               | 1600      | NA        | 1400      | 1410      | 1490      |
| Bagalkot                  | Hybrid/Local        | 1429      | NA        | 1350      | 1289      | 1346      |
| Gadag                     | Local               | 1395      | 1366      | NA        | NA        | 1357      |
| Nizamabad                 | Bilty               | 1460      | Closed    | 1410      | 1400      | 1450      |
| Khanna                    | Bilty               | NA        | NA        | NA        | 1290      | 1550      |
| Sangli                    | Feed                | 1523      | 1507      | 1591      | 1380      | 1400      |
| Ahmedabad                 | Feed                | 1550      | 1575      | 1540      | 1380      | 1420      |
|                           | Starch              | 1570      | 1575      | 1500      | 1350      | 1375      |

| Maize CBOT Weekly Futures Price Listing (USD/Ton) |                |           |           |        |
|---|----------------|-----------|-----------|--------|
|   | Contract Month | 25-Oct-18 | 18-Oct-18 | Change |
| Corn CBOT Prices                                  | Dec-18         | 144.78    | 144.48    | 0.30   |
|   | Mar-19         | 149.6     | 149.4     | 0.20   |
|   | May-19         | 152.75    | 152.36    | 0.39   |
|   | Jul-19         | 155.01    | 154.62    | 0.39   |
|   | Sep-19         | 155.9     | 155.31    | 0.59   |

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