

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall steady to slightly firm sentiments witnessed in major maize cash markets. However, it could trade steady to range bound in the near term amid high demand and supply in to the market. Currently, in each state, prices are varying as per the quality parameter like moisture, percent of damaged grain and grain size which are all discounting factors; In Nizamabad region of Telangana, arrival contain moisture up to 16% and around 10-12% grain is damaged and small in size. In Kurnool region, large grain size quality contains moisture up to 18%. In rayalseema, medium grain size quality contains moisture up to 16%. Small grain size quality with less moisture is also arriving into the market. Last week, traders of A.P have bought the medium grain quality at Rs. 1550 per quintal from the Madhya Pradesh and further looking to buy the best quality material from Madhya Pradesh region. Besides, demand of industrial feed makers and stockists amid Government procurement in Telangana and Bhavantar Yojna in M.P, being supportive to maintain the maize prices. In Karnataka, trade sources revealed that there is less chance of procurement by Government. 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.

STATE WISE RABI SOWING COVERAGE

In India, maize has been sown in around 2.471 lakh hectares as of 9th November, 2018 which is higher than 2.052 lakh hectares during corresponding period last year. In Karnataka, maize has been sown in around 0.26 lakh hectares which is lower than 0.43 lakh hectares during corresponding period last year while in Tamilnadu; it has been sown in around 1.30 lakh a hectare which is higher than 0.73 lakh hectares during corresponding period last year. In Telangana; it has been sown in around 0.33 lakh a hectare which is higher than 0.08 lakh hectares during corresponding period last year.

RECOMMENDATION:

Weekly Call - : Market participants are advised to wait in Maize as there is less trade volume in to the market. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1420-1450 per quintal for the week.

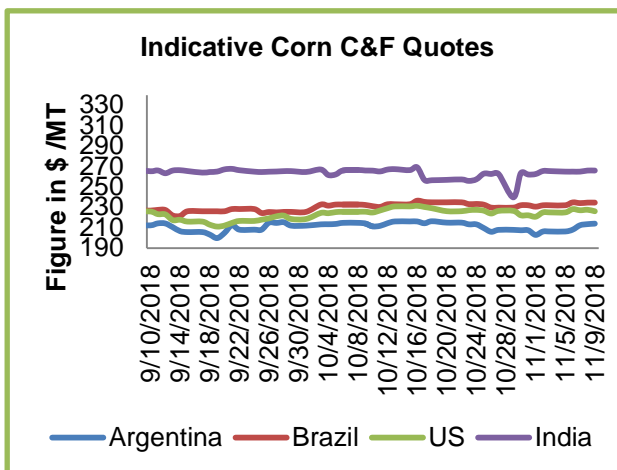
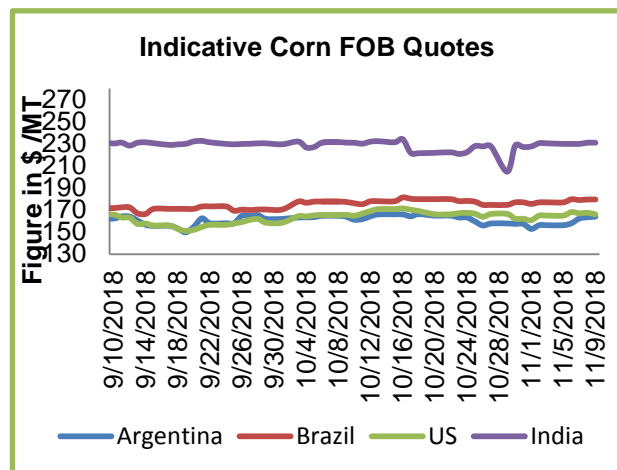
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 2.66 USD/ MT to 147.04 USD/MT for December'18 contract compared to last week due to increase in export demand for U.S corn.

USDA increased its global corn ending stocks estimates by 148.16 MMT to 307.51 MMT for 2018/19 compared to last month for 2018/19.

At 1.36 MMT (for the period 26th October- 01st November, 2018) US corn exports were up by 79.51% from the previous week; mainly for the destinations like to Japan (391,600 MT), Mexico (319,100 MT), South Korea (135,600 MT), Taiwan (77,100 MT), and Peru (72,500 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 72.51)				
As on 09.11.2018	Argentina	Brazil	US	India
FOB	163.88	179.50	166.00	230.94
C&F	213.88	234.50	226.00	265.94

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.

TRADE SCENARIO

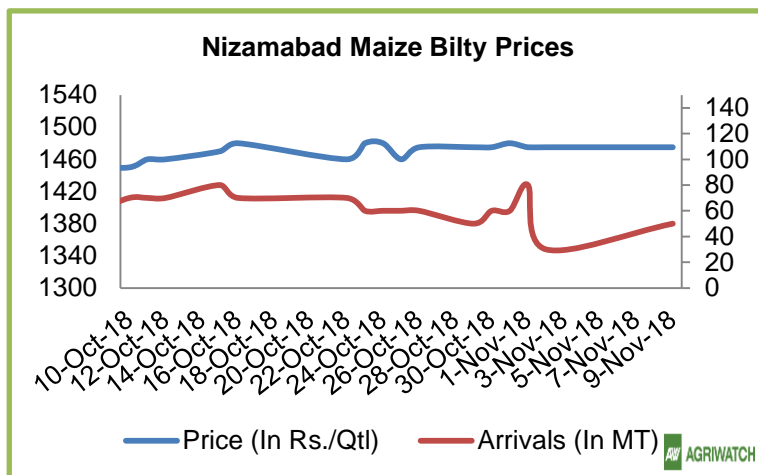
From the trade point of view, In Nizamabad, Local starch and cattle feed makers are buying at Rs. 1400 per quintal. Maize is moving towards Hyderabad at Rs. 1650-60 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 1520-1570 per quintal and Nammakal at Rs. 1620-1650 per quintal (Delivered price), sourced from Davangere. In Bihar, maize is moving towards Kolkata at Rs. 1650 per quintal. Last week, traders of A.P have bought the medium grain quality at Rs. 1550 per quintal from the Madhya Pradesh and further looking to buy the best quality material from Madhya Pradesh region.

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:

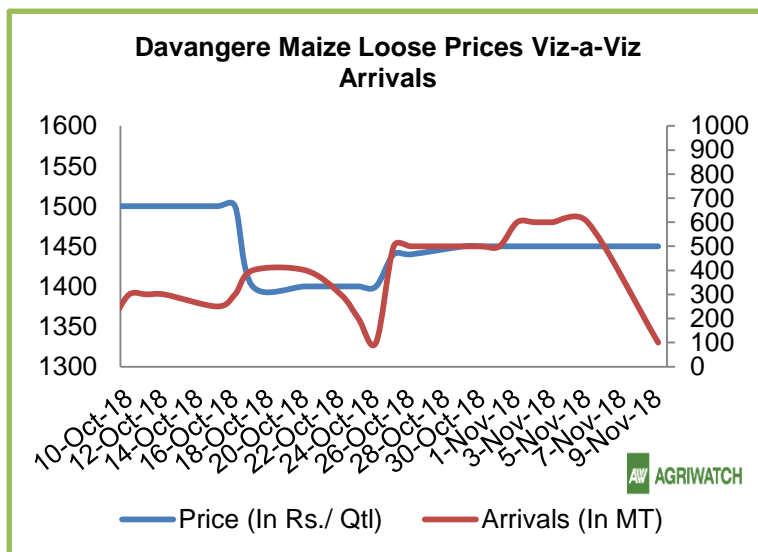
ANDHRA PRADESH & TELANGANA:

- In Kurnool region, large grain size quality contains moisture up to 18%. In rayalseema, medium grain size quality contains moisture up to 16%. Small grain size quality with less moisture is also arriving into the market. Last week, traders of A.P have bought the medium grain quality at Rs. 1550 per quintal from the Madhya Pradesh and further looking to buy the best quality material from Madhya Pradesh region.
- 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 Nizamabad region of Telangana, it contains moisture up to 16% and grain is damaged around 10-12% and small in size. Local starch and cattle feed makers are buying at Rs. 1400 per quintal. Maize is moving towards Hyderabad at Rs. 1650-60 per quintal.



KARNATAKA:

- In Davangere region of Karnataka, trade sources revealed that there is less chance of procurement by Government. It is likely to trade steady to slightly weak in the near term amid sluggish demand. Trade sources revealed that maize is moving towards Bangalore at Rs. 1520-1570 per quintal and Nammakal at Rs. 1620-1650 per quintal (Delivered price), sourced from Davangere.



DOMESTIC MAIZE OUTLOOK:

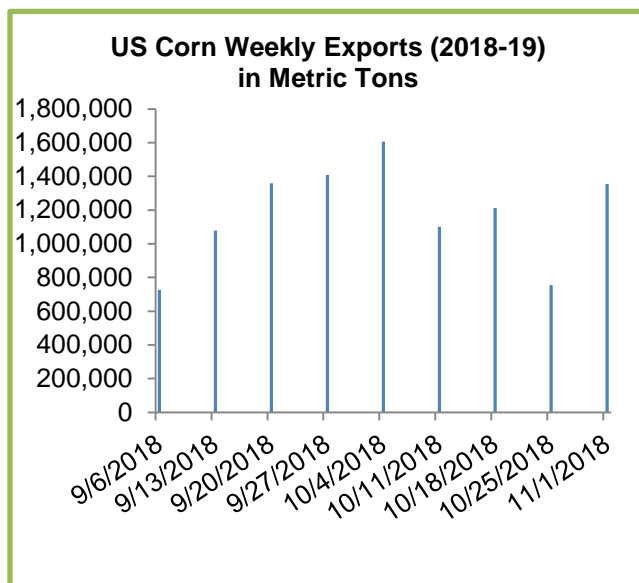
Prices of standard quality maize are likely to be steady to range bound in the near term.

INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 10.60 MMT in the 2018-19 marketing year. At 1.36 MMT (for the period 26th October- 01st November, 2018) US corn exports were up by 79.51% from the previous week; mainly for the destinations like to Japan (391,600 MT), Mexico (319,100 MT), South Korea (135,600 MT), Taiwan (77,100 MT), and Peru (72,500 MT).
- USDA increased its global corn ending stocks estimates by 148.16 MMT to 307.51 MMT for 2018/19 compared to last month for 2018/19. USDA increased its corn ending stock estimates for China by 148.98 MMT to 207.49 MMT for 2018/19 compared to last month. This increase was reflecting in the estimate of USDA as the Chinese government revised its corn stock position. Increase in global corn ending estimates likely to put pressure on international corn market.
- In U.S, 76% crop of corn has been harvested as of 4th November, 2018, which is higher by 8% compared to corresponding period last year but lower by 1% from the last 5 year average period.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 2.66 USD/ MT to 147.04 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.
- RSI is moving in overbought region which might take correction in the short run.
- Strategy: Market participants are advised to wait as there is less trade volume in to the market.

Strategy: Wait
Maize NCDEX (November)

Support & Resistance				
S2	S1	PCP	R1	R2
1492	1507	1523	1554	1585

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	8-Nov-18	1-Nov-18	8-Oct-18	8-Nov-17	8-Nov-16
Naugachia	Bilty	1525	1475	1350	1225	1525
Delhi	Hybrid Maize (U.P.)	Closed	1525	1400	1310	1600
Davangere	Loose Price	1450	1450	1500	1300	1480
Shimoga	Bilty	NA	NA	1470	1150	1500
Ranebennur	Bilty	NA	1460	1500	1250	1440
Bagalkot	Hybrid/Local	1475	1436	1500	1222	1386
Gadag	Local	1352	1440	NA	1116	1385
Nizamabad	Bilty	1475	1475	1450	1390	1450
Khanna	Bilty	NA	NA	1450	1250	1580
Sangli	Feed	1528	1533	1565	1290	1450
Ahmedabad	Feed	Closed	1525	1570	1300	1410
	Starch	Closed	1550	1590	1330	1400

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	8-Nov-18	1-Nov-18	Change
Corn CBOT Prices	Dec-18	147.04	144.38	2.66
	Mar-19	151.67	149.11	2.56
	May-19	154.82	152.26	2.56
	Jul-19	157.18	154.62	2.56
	Sep-19	157.87	155.11	2.76

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