

# 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 and are likely to trade steady to slightly firm in the near term too despite crop arrival pressure as demand of industrial feed makers and stockists amid Government procurement in Telangana being supportive to maintain the maize prices. Besides, In Telangana, government is actively procuring maize; hence arrivals in open markets are low. As per trade source, Telangana government has procured around 1.5 lakh ton 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 Davangere region of Karnataka, prices are being supportive due to high rainfall. Besides, expectation of increase in demand could also keep price at the high side. South feed makers are purchasing maize from M.P due to its quality and price parity.

**STATE WISE RABI SOWING COVERAGE**

In India, Rabi maize has been sown in around 3.40 lakh hectares as of 16th November, 2018 which is lower than 4.30 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 0.31 lakh hectares which is lower than 1.05 lakh hectares during corresponding period last year. In Karnataka, it has been sown in around 0.26 lakh an hectare which is lower than 0.62 lakh hectares during corresponding period last year while in Tamilnadu, it has been sown in around 1.35 lakh a hectare which is higher than 0.93 lakh hectares during corresponding period last year. In Telangana, it has been sown in around 0.49 lakh a hectare which is higher than 0.16 lakh hectares during corresponding period last year. As per trade source, in Bihar, maize area is likely to shift towards wheat and mustard.

**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. 1470-1540 per quintal for the week.

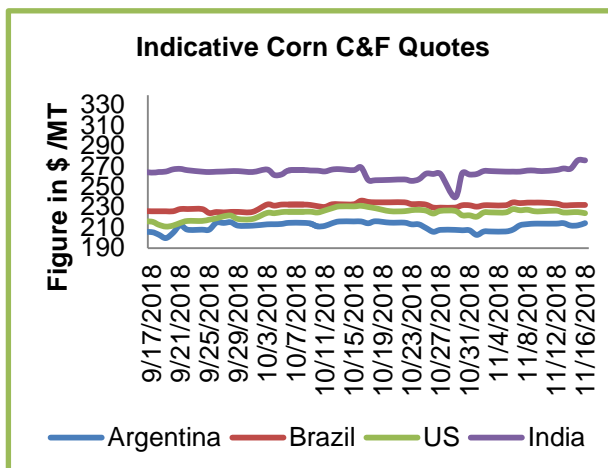
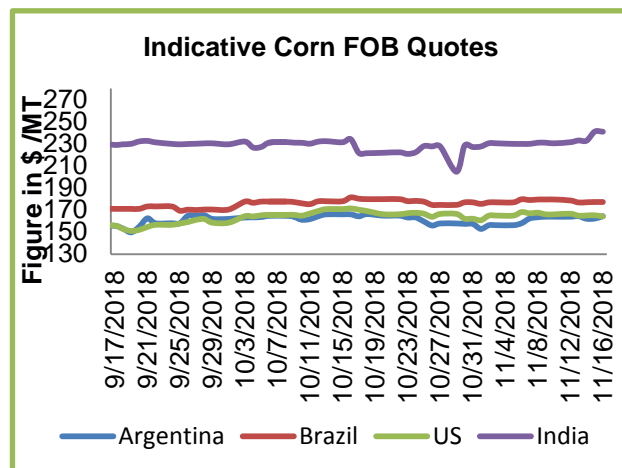
**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT fall by 2.36 USD/ MT to 144.68 USD/MT for December'18 contract compared to last week due to decrease in export demand for U.S corn.

In U.S, 84% crop of corn has been harvested as of 11th November, 2018, which is higher by 3% compared to corresponding period last year but lower by 3% from the last 5 year average period.

At 1.11 MMT (for the period 2nd November- 08th November, 2018) US corn exports were down by 17.88% from the previous week but up 1 per cent from the previous 4-week average; mainly for the destinations like Mexico (337,900 MT), South Korea (192,400 MT), Japan (160,800 MT), Saudi Arabia (145,300 MT), and Colombia (90,100 MT).

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.83)				
As on 16.11.2018	Argentina	Brazil	US	India
FOB	164.37	177.20	164.10	240.92
C&F	214.37	232.20	224.10	275.92

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

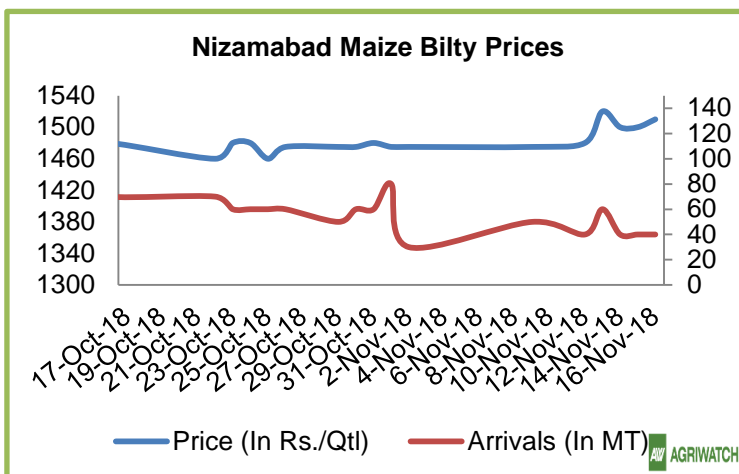
From the trade point of view, Traders of Hyderabad purchased maize at Rs. 1615 per quintal; sourced from Madhya Pradesh. In Nizamabad, Local starch and cattle feed makers are buying at Rs. 1400-1425 per quintal. Maize is moving to Hyderabad at Rs. 1650 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 1520-1540 per quintal and Nammakal at Rs. 1660 per quintal (Delivered price), sourced from Davangere. In Bihar, maize is moving towards Kolkata at Rs. 1650-1700 per quintal.

## 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:

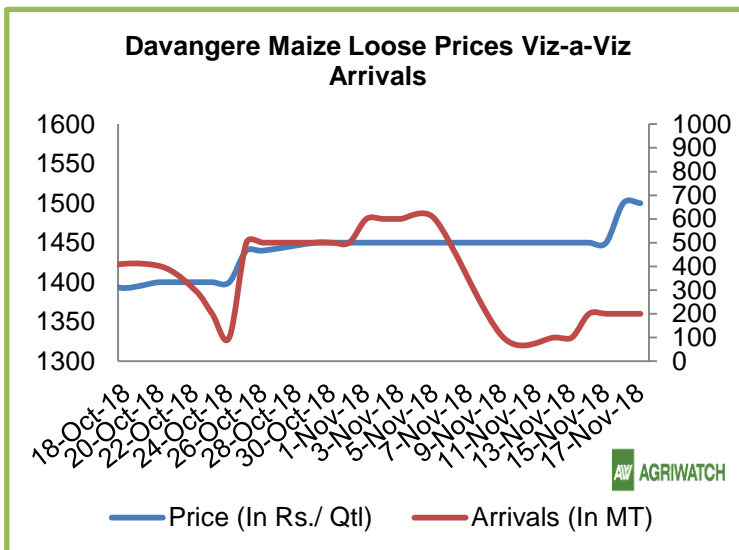
### ANDHRA PRADESH & TELANGANA:

- 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. Traders of Hyderabad purchased maize at Rs. 1615 per quintal; sourced from Madhya Pradesh.
- In Telangana, government is actively procuring maize and as per trade information, it has procured around 1.5 lakh ton 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. 1400-1425 per quintal. Maize is moving to Hyderabad at Rs. 1650 per quintal.



### KARNATAKA:

- In Davangere region of Karnataka, maize is likely to trade steady to slightly firm as arrivals are being affected due to high rainfall. Besides, expectation of increase in demand could also keep price at the high side. Trade sources revealed that maize is moving towards Bangalore at Rs. 1520-1540 per quintal and Nammakal at Rs. 1660 per quintal (Delivered price), sourced from Davangere.

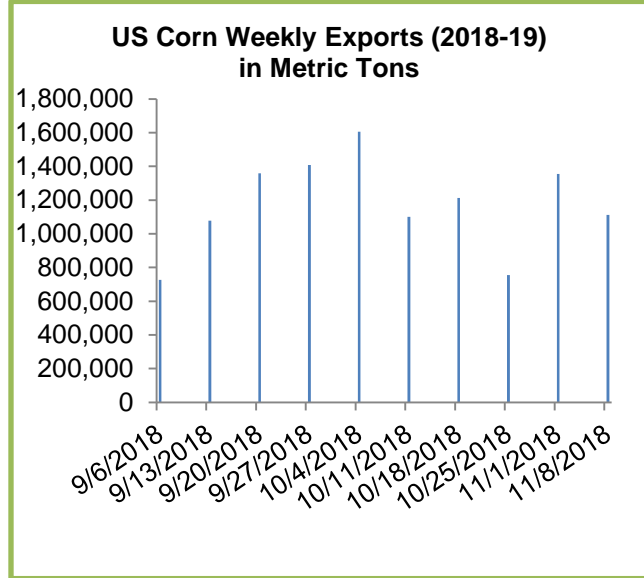


## DOMESTIC MAIZE OUTLOOK:

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 11.71 MMT in the 2018-19 marketing year. At 1.11 MMT (for the period 2nd November- 08th November, 2018) US corn exports were down by 17.88% from the previous week but up 1 per cent from the previous 4-week average; mainly for the destinations like Mexico (337,900 MT), South Korea (192,400 MT), Japan (160,800 MT), Saudi Arabia (145,300 MT), and Colombia (90,100 MT).
- In U.S, 84% crop of corn has been harvested as of 11th November, 2018, which is higher by 3% compared to corresponding period last year but lower by 3% from the last 5 year average period.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT fall by 2.36 USD/ MT to 144.68 USD/MT for December'18 contract compared to last week due to decrease in export demand for U.S corn.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(December Contract Weekly Chart)**

- Candlestick depicts firm situation in the market.
- Prices closed above 9 days EMAs.
- Strategy: Market participants are advised to wait as there is less trade volume in to the market.

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

Support & Resistance				
S2	S1	PCP	R1	R2
1553	1577	1600	1612	1623

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1470-1540 per quintal for the week.

### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	15-Nov-18	8-Nov-18	15-Oct-18	15-Nov-17	15-Nov-16
Naugachia	Bilty	1525	1525	1375	1200	1550
Delhi	Hybrid Maize (U.P.)	1550	Closed	1450	1325	1600
Davangere	Loose Price	1450	1450	1500	1300	1460
Shimoga	Bilty	1410	1410	1490	1200	1400
Ranebennur	Bilty	1470	1420	1520	1230	1460
Bagalkot	Hybrid/Local	1482	1475	1389	1189	1420
Gadag	Local	1400	1475	1366	1553	1437
Nizamabad	Bilty	1500	Closed	1470	1400	1450
Khanna	Bilty	NA	NA	NA	1375	1650
Sangli	Feed	1532	1528	1522	1240	1450
Ahmedabad	Feed	1520	Closed	1575	1270	1440
	Starch	1550	Closed	1575	1300	1400

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	15-Nov-18	8-Nov-18	Change
Corn CBOT Prices	Dec-18	144.68	147.04	-2.36
	Mar-19	148.91	151.67	-2.76
	May-19	151.86	154.82	-2.96
	Jul-19	154.52	157.18	-2.66
	Sep-19	155.01	157.87	-2.86

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