

# Maize Weekly Research Report

## Contents

- ❖ Executive Summary
- ❖ State wise Rabi sowing coverage
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ Export Parity Trend
- ❖ Trade Scenario
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Futures Market Analysis: NCDEX MAIZE
- ❖ Davangere Market Analysis
- ❖ Annexure

## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Maize cash markets traded firm during the week and are likely to trade firm ahead due to high demand of industrial feed makers and stockists amid low stock availability of good quality material as crop of Bihar is almost over and even 50% M.P crop has been traded. There would be shortage of good quality material after the end of December till the new rabi crop arrival expected in the month of March which is also expected to be less, due to low rainfall, less soil moisture and fall armyworm affect. Nizamabad, Kamareddy, Medak, Warangal (U) (R), Nirmal and Karimnagar districts are affected by fall armyworm. Considering the all above mentioned facts, Agriwatch expects maize could trade firm in the coming weeks.

In Nizamabad, most of the material arriving in open market is of low quality; around 7-8% grain is damaged and small in size. In Andhra Pradesh, farmers are not releasing their good quality material in to the market on the expectation of increase in price.

### STATE WISE RABI SOWING COVERAGE

In India, Rabi maize has been sown in around 4.84 lakh hectares as of 22nd November, 2018 which is lower than 6.00 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 1.24 lakh a hectare which is lower than 2.17 lakh hectares during corresponding period last year. In Karnataka, it has been sown in around 0.43 lakh hectare which is lower than 0.68 lakh hectares during corresponding period last year. In Maharashtra, it has been sown in around 0.42 lakh hectares which is lower than 1 lakh hectares during corresponding period last year. As per trade source, in Bihar, maize area is likely to shift towards wheat and mustard. In Maharashtra, maize area is likely to shift towards sugarcane. However, in Telangana, Maize sowing for the Rabi season as of 22nd Nov'18 reported at 0.57 lakh hectares as compared to 0.26 lakh hectares in the corresponding period last year. Normal area reported 0.31 lakh hectares. It is at vegetative stage.

As per Gujarat state govt. data, Maize progressive area of Rabi 2018-19 is 0.32 lakh hectares as on 19-11-2018 which is lower than 0.51 lakh hectares during corresponding period last year. Current year sowing reported slowly due to lower rainfall.

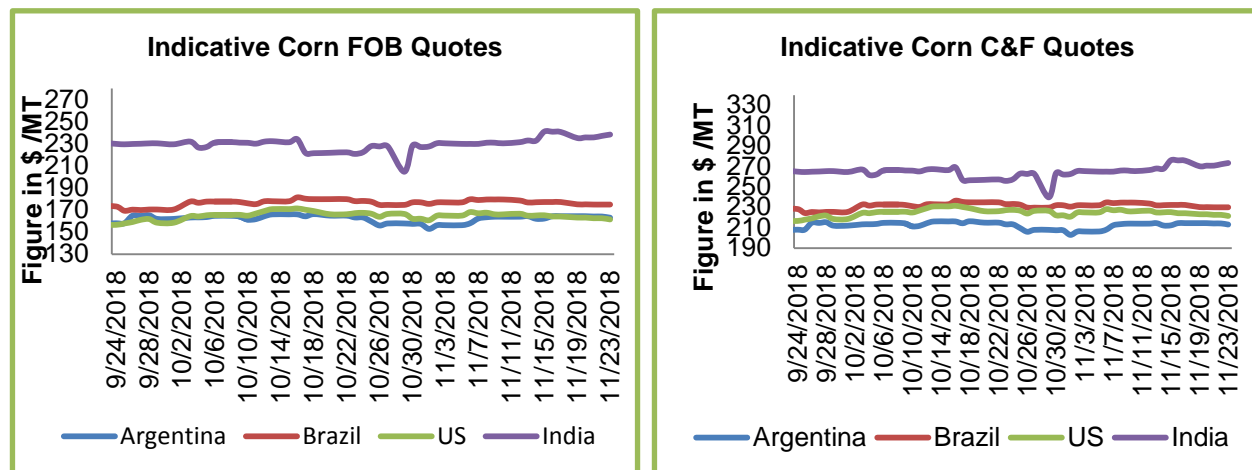
### RECOMMENDATION:

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. 1480-1550 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 2.27 USD/ MT to 142.41 USD/MT for December'18 contract compared to last week due to decrease in export demand for U.S corn.

In U.S, 90% crop of corn has been harvested as of 18th November, 2018, which is higher by 1% compared to corresponding period last year but lower by 3% from the last 5 year average period.

**EXPORT PARITY TREND**


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 70.68)				
As on 23.11.2018	Argentina	Brazil	US	India
FOB	162.99	174.90	161.40	238.35
C&F	212.99	229.90	221.40	273.35

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**

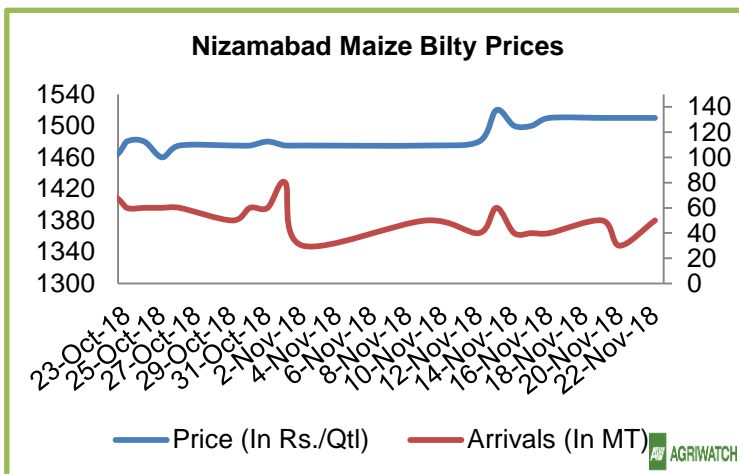
From the trade point of view, Maize is moving towards Haryana, Delhi and Telangana at Rs. 1700-1780, Rs.1750 and Rs. 1600 per quintal respectively, sourced from Madhya Pradesh. In Nizamabad, Local starch and cattle feed makers are buying at Rs. 1400 per quintal. Maize is moving to Hyderabad at Rs. 1600 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 1620-1650 per quintal and Nammakal at Rs. 1720-1750 per quintal (Delivered price), sourced from Davangere. In Bihar, maize is moving towards Kolkata at Rs. 1700 per quintal.

## CURRENT MARKET DYNAMICS:

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

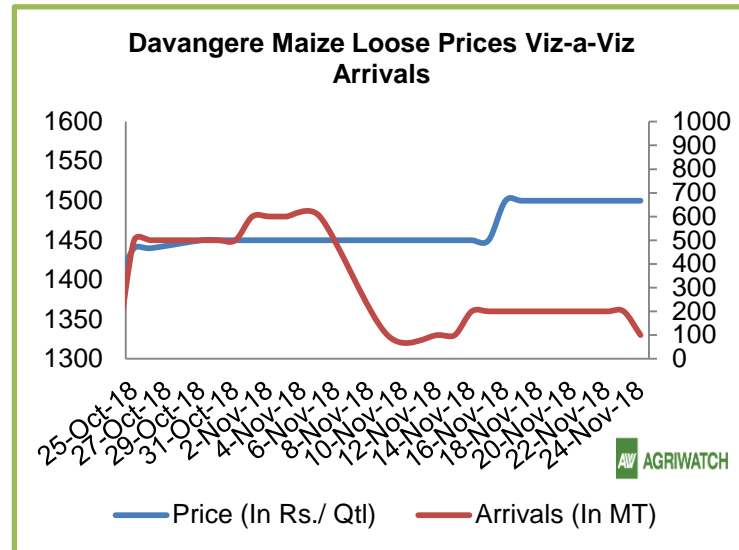
### ANDHRA PRADESH & TELANGANA:

- In Nizamabad, most of the material arriving in open market is of low quality; around 7-8% grain is damaged and small in size. In Andhra Pradesh, farmers are not releasing their good quality material in to the market on the expectation of increase in price. Local starch and cattle feed makers are buying at Rs. 1400 per quintal. Maize is moving to Hyderabad at Rs. 1600 per quintal. It is likely to trade steady to firm in near term.



### KARNATAKA:

- In Davangere region of Karnataka, maize is likely to trade steady to slightly firm on the expectation of increase in demand. Maize crop still contains moisture up to 18% and small in size. Trade sources revealed that maize is moving towards Bangalore at Rs. 1620-1650 per quintal and Nammakal at Rs. 1720-1750 per quintal (Delivered price), sourced from Davangere.

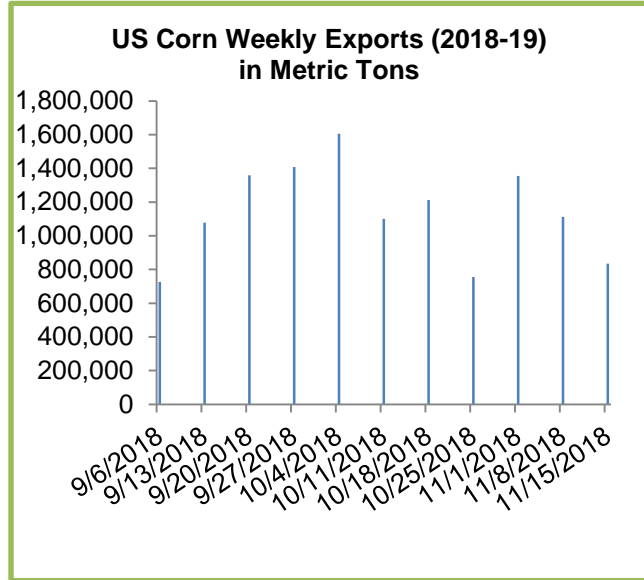


## DOMESTIC MAIZE OUTLOOK:

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

**INTERNATIONALS****MARKET:****HIGHLIGHTS/CURRENT DEVELOPMENTS**

- As per USDA, U.S corn exports reached 12.55 MMT in the 2018-19 marketing year. At 0.83 MMT (for the period 9th November- 15th November, 2018) US corn exports were down 25 percent from the previous week, and 25 percent from the previous 4-week average; mainly for the destinations like Mexico (336,800 MT), Japan (193,300 MT), Colombia (72,900 MT), South Korea (70,300 MT), and Peru (52,100 MT).
- In U.S, 90% crop of corn has been harvested as of 18th November, 2018, which is higher by 1% compared to corresponding period last year but lower by 3% from the last 5 year average period.
- IGC decreased its global corn production forecast by 1 MMT to 1073 MMT compared to previous month forecast for 2018/19. Forecast for global corn ending stock was kept unchanged at 266 MMT compared to last forecast for 2018/19 but lower by 39 MMT compared to corresponding period last year.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT fall by 2.27 USD/ MT to 142.41 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
1588	1610	1633	1645	1657

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1480-1550 per quintal for the week.

### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	22-Nov-18	15-Nov-18	22-Oct-18	22-Nov-17	22-Nov-16
Naugachia	Bilty	1550	1525	1400	1225	1575
Delhi	Hybrid Maize (U.P.)	1550	1550	1500	1325	1625
Davangere	Loose Price	1500	1450	1400	1300	1480
Shimoga	Bilty	1430	1410	1460	1200	1410
Ranebennur	Bilty	NA	1470	NA	1220	1475
Bagalkot	Hybrid/Local	1518	1482	1409	1189	1445
Gadag	Local	1472	1400	1382	1176	1423
Nizamabad	Bilty	1510	1500	1460	1400	1450
Khanna	Bilty	NA	NA	NA	1400	1700
Sangli	Feed	1564	1532	1516	1250	1480
Ahmedabad	Feed	1650	1520	1575	1280	1500
	Starch	1700	1550	1580	1300	1500

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	22-Nov-18	15-Nov-18	Change
Corn CBOT Prices	Dec-18	142.41	144.68	-2.27
	Mar-19	146.75	148.91	-2.16
	May-19	149.8	151.86	-2.06
	Jul-19	152.45	154.52	-2.07
	Sep-19	153.83	155.01	-1.18

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