

# 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**

Overall 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 50-60% 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. Nizambad, Kamareddy, Medak, Warangal (U) (R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall armyworm. Demand from Nepal and Bangladesh is also supporting to Bihar market. 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 and contains moisture up to 14%. 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 7.22 lakh hectares as of 30th November, 2018 which is lower than 8.34 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 2.47 lakh a hectare which is lower than 3.16 lakh hectares during corresponding period last year. In Karnataka, it has been sown in around 0.47 lakh hectare which is lower than 0.74 lakh hectares during corresponding period last year. In Maharashtra, it has been sown in around 0.53 lakh hectares which is lower than 1.14 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 28th Nov'18 reported at 0.66 lakh hectares as compared to 0.36 lakh hectares in the corresponding period last year. Normal area reported 0.42 lakh hectares. It is at vegetative stage. As per Gujarat state govt. data, Maize progressive area of Rabi 2018-19 is 0.49 lakh hectares as on 26-11-2018 which is lower than 0.67 lakh hectares during corresponding period last year. Current year sowing reported slowly due to lower rainfall.

### **RECOMMENDATION:**

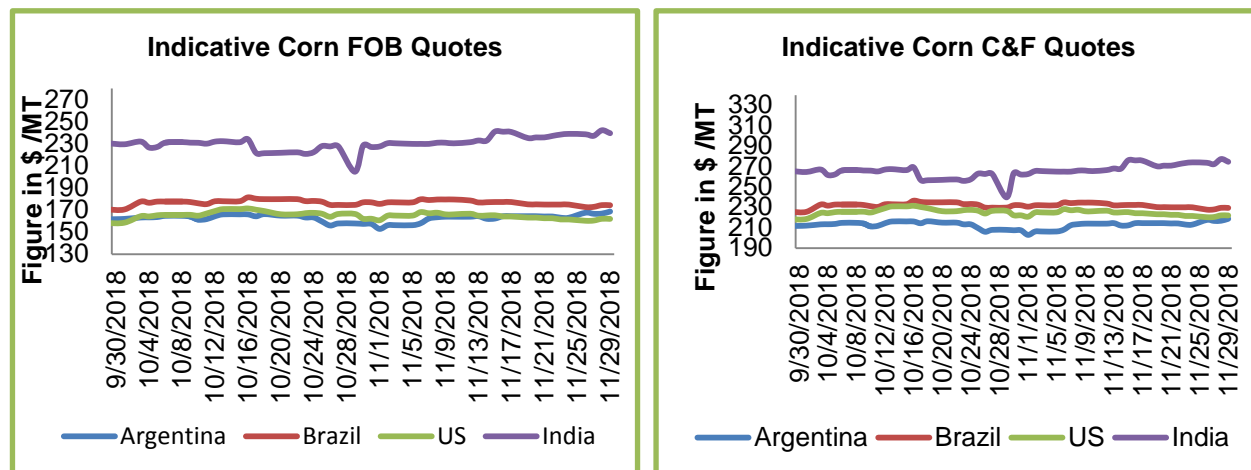
Weekly Call - : Market participants are advised to wait in Maize as there is less trade volume in to the market. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1550-1640 per quintal for the week.

### **INTERNATIONAL CORN MARKET SUMMARY**

At 1.05 MMT (for the period 16th November- 22nd November, 2018) US corn exports were up 26 percent from the previous week and 4 percent from the previous 4-week average; mainly for the destinations like Mexico (255,400 MT), Colombia (211,900 MT), Japan (207,300 MT), Peru (121,500 MT), and Taiwan (76,300 MT).

In U.S, 94% crop of corn has been harvested as of 25th November, 2018, which is same compared to corresponding period last year but lower by 2% from the last 5 year average period.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.66)				
As on 29.11.2018	Argentina	Brazil	US	India
FOB	168.60	174.30	161.90	239.52
C&F	218.60	229.30	221.90	274.52

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

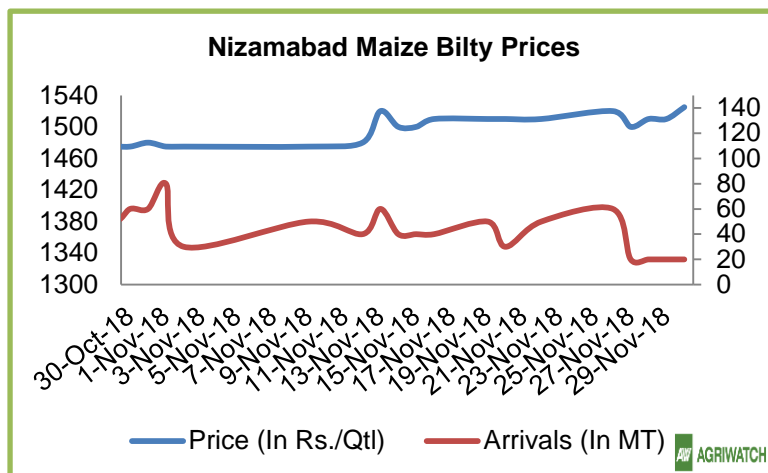
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 1650 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 1800 per quintal and Nammakal at Rs. 1800-1850 per quintal (Delivered price), sourced from Davangere. In Bihar, maize is moving towards Kolkata, Neapl at Rs. 1750-1800 per quintal and Rs. 1900 per quintal respectively.

## 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:

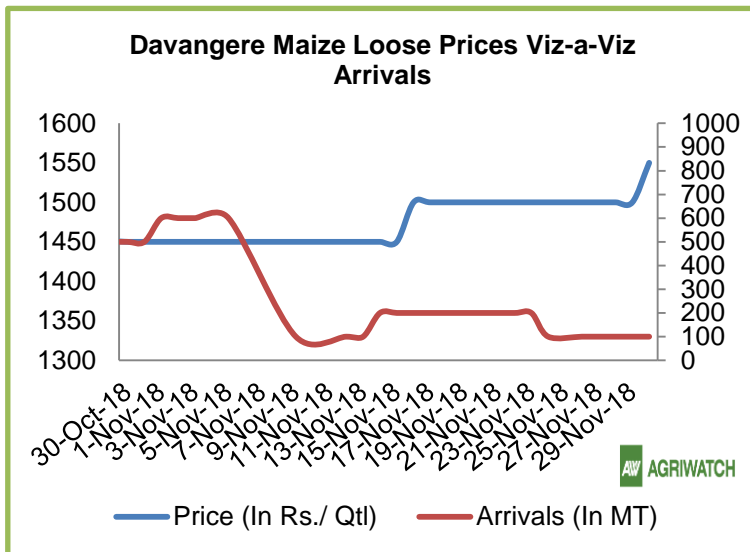
### ANDHRA PRADESH & TELANGANA:

- In Nizamabad, most of the material arriving in open market is of low quality; around 7-8% grain is damaged and small in size and contains moisture up to 14%. In Andhra Pradesh, farmers are not releasing their good quality material in to the market on the expectation of increase in price. Maize is moving to Hyderabad at Rs. 1650 per quintal. It is likely to trade steady to firm in near term.



### KARNATAKA:

- In Davangere region of Karnataka, maize is likely to trade 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. 1800 per quintal and Nammakal at Rs. 1800-1850 per quintal (Delivered price), sourced from Davangere.



## DOMESTIC MAIZE OUTLOOK:

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

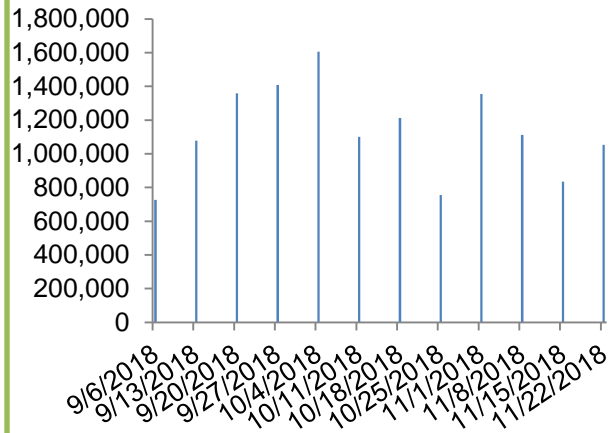
### INTERNATIONALS

### MARKET:

#### HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 13.60 MMT in the 2018-19 marketing year. At 1.05 MMT (for the period 16th November- 22nd November, 2018) US corn exports were up 26 percent from the previous week and 4 percent from the previous 4-week average; mainly for the destinations like Mexico (255,400 MT), Colombia (211,900 MT), Japan (207,300 MT), Peru (121,500 MT), and Taiwan (76,300 MT).
- In U.S, 94% crop of corn has been harvested as of 25th November, 2018, which is same compared to corresponding period last year but lower by 2% from the last 5 year average period.

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



#### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 0.59 USD/ MT to 141.82 USD/MT for December'18 contract compared to last week.

### 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
1606	1660	1715	1750	1784

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1550-1640 per quintal for the week.

### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	29-Nov-18	22-Nov-18	29-Oct-18	29-Nov-17	29-Nov-16
Naugachia	Bilty	1625	1550	1500	1200	1600
Delhi	Hybrid Maize (U.P.)	1700	1550	1550	NR	1600
Davangere	Loose Price	1500	1500	1450	1300	1450
Shimoga	Bilty	1500	NA	1450	1200	1430
Ranebennur	Bilty	NA	1500	NA	1220	1500
Bagalkot	Hybrid/Local	1610	1518	1422	1195	NA
Gadag	Local	1600	1472	1432	1160	NA
Nizamabad	Bilty	1510	1510	1475	1400	1450
Khanna	Bilty	NA	NA	NA	1380	1700
Sangli	Feed	1697	1564	1539	1255	1450
Ahmedabad	Feed	1750	1650	1530	1310	1420
	Starch	1750	1700	1600	1340	1450



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	29-Nov-18	22-Nov-18	Change
Corn CBOT Prices	Dec-18	141.82	142.41	-0.59
	Mar-19	146.94	146.75	0.19
	May-19	149.8	149.8	Unch
	Jul-19	152.36	152.45	-0.09
	Sep-19	153.54	153.83	-0.29

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2018 Indian Agribusiness Systems Ltd.