

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

By and large firm sentiments witnessed in maize cash markets during the week and we expect prices 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 8.76 lakh hectares as of 7th December, 2018 which is lower than 10.24 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 3.12 lakh a hectare which is lower than 3.48 lakh hectares during corresponding period last year. In Karnataka, it has been sown in around 0.55 lakh hectare which is lower than 0.74 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.

In Telangana, Maize sowing for the Rabi season as of 05th Dec'18 reported at 0.70 lakh hectares as compared to 0.38 lakh hectares in the corresponding period last year. Normal area reported 1.66 lakh hectares. It is at vegetative stage. Nizambad, Kamareddy, Medak, Warangal (U) (R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall armyworm.

As per Gujarat state govt. data, Maize progressive area of Rabi 2018-19 is 62,091 hectares as on 03-12-2018 which is lower than 79,100 hectares during corresponding period last year. Normal Area reported 103,900 hectares, sowing completed around 59.76% from normal area. Current year sowing reported slowly due to lower rainfall.

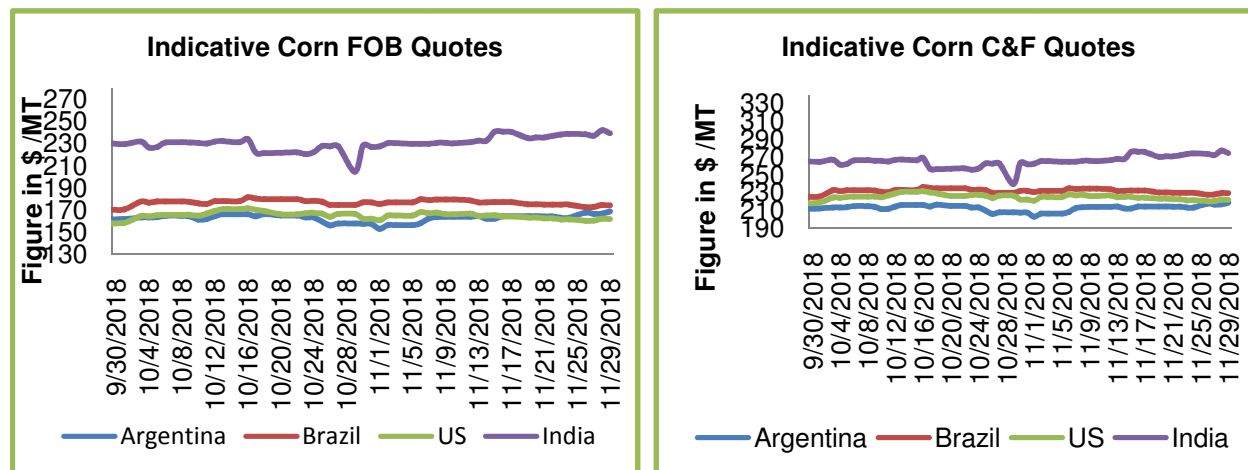
RECOMMENDATION:

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 1.18 MMT (for the period 23rd November- 29th November, 2018) US corn exports were down 7 percent from the previous week, but up 26 percent from the prior 4-week average, mainly for the destinations like Mexico (302,700 MT), Colombia (135,100 MT), Japan (292,600 MT) and Taiwan (78,200 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs.70.57)				
As on 07.12.2018	Argentina	Brazil	US	India
FOB	172.34	183.20	172.60	250.74
C&F	222.34	238.20	232.60	285.74

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

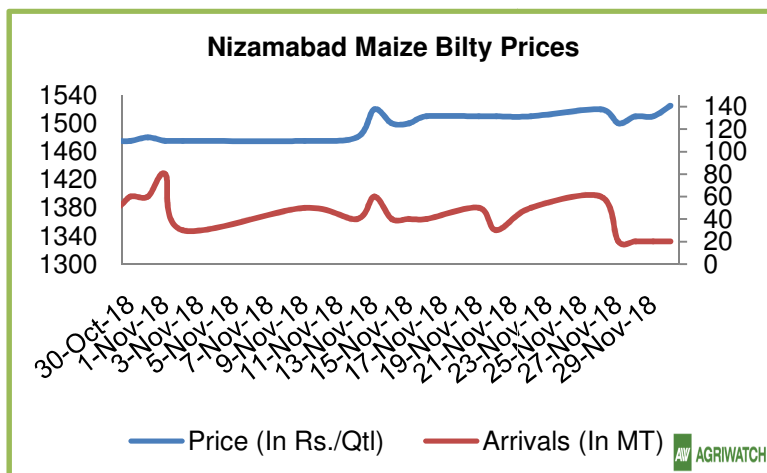
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 1650 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 1800 per quintal and Nammakal at Rs. 1800-1850 per quintal (Delivered price), sourced from Davangere. In Bihar, maize is moving towards Kolkata, Nepal at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

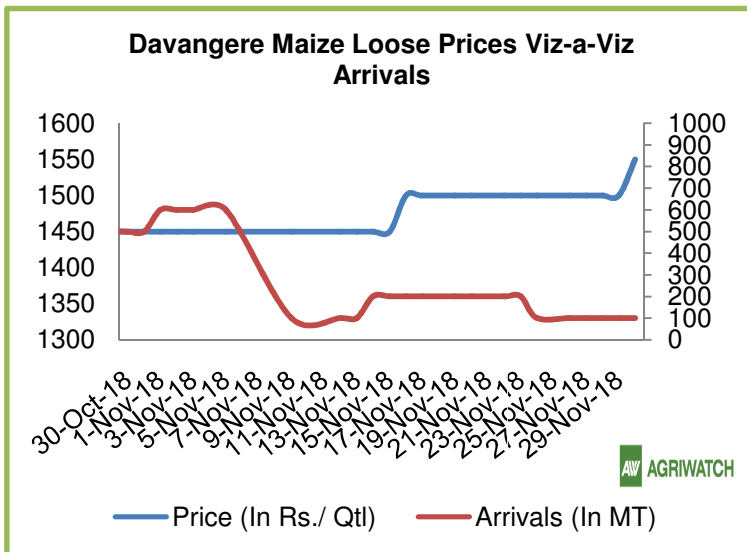
ANDHRA PRADESH& TELANGANA:

- 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.

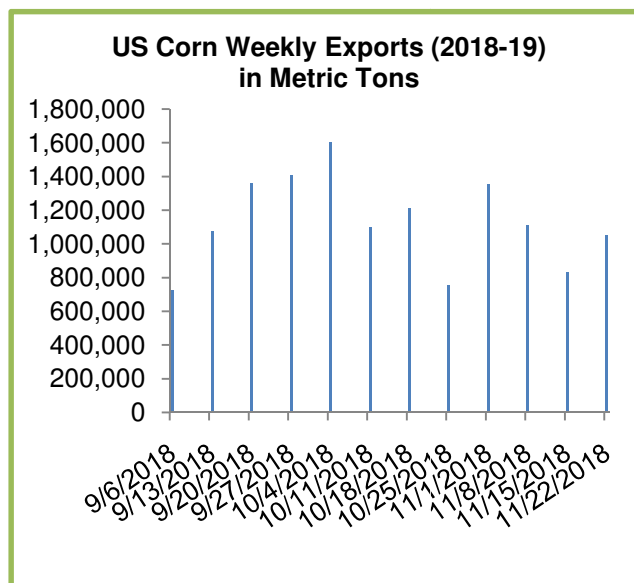


DOMESTIC MAIZE OUTLOOK:

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 13.09 MMT in the 2018-19 marketing year. At 1.18 MMT (for the period 23rd November- 29th November, 2018) US corn exports were down 7 percent from the previous week, but up 26 percent from the prior 4-week average, mainly for the destinations like Mexico (302,700 MT), Colombia (135,100 MT), Japan (292,600 MT) and Taiwan (78,200 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.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT up by 4.00 USD/ MT to 147.24 USD/MT for December'18 contract compared to last week.



FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(December Contract Weekly Chart)

- Candlestick depicts prices correction in the market, overall trend is bullish.
- RSI is moving upward.
- 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
1530	1570	1615	1660	1710

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	6-Dec-18	29-Nov-18	6-Nov-18	6-Dec-17	6-Dec-16
Naugachia	Bilty	1675	1625	Closed	1225	1575
Delhi	Hybrid Maize (U.P.)	1750	1700	1525	1300	1575
Davangere	Loose Price	1550	1500	Closed	1300	1450
Shimoga	Bilty	1580	1500	NA	1200	1450
Ranebennur	Bilty	1650	1630	NA	1200	1470
Bagalkot	Hybrid/Local	1600	1620	NA	1209	1401
Gadag	Local	1566	1600	NA	1140	1379
Nizamabad	Bilty	1550	1510	Closed	1400	1450
Khanna	Bilty	1610	NA	0	1390	1690
Sangli	Feed	1710	1697	1525	1260	1450
Ahmedabad	Feed	1700	1750	Closed	1325	1410
	Starch	1850	1750	Closed	1350	1525



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	6-Dec-18	29-Nov-18	Change
Corn CBOT Prices	Dec-18	141.82	141.82	-0.59
	Mar-19	146.94	146.94	0.19
	May-19	149.8	149.8	Unch
	Jul-19	152.36	152.36	-0.09
	Sep-19	153.54	153.54	-0.29

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