



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Maize cash markets traded steady to 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. 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, Karimnagar and Mahabubabad districts are affected by fall armyworm. Demand from Kolkata 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.

STATE WISE RABI SOWING COVERAGE

In India, Rabi maize has been sown in around 10.38 lakh hectares as of 14th December, 2018 which is lower than 11.47 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 3.76 lakh a hectare which is lower than 3.91 lakh hectares during corresponding period last year. In Karnataka, it has been sown in around 0.67 lakh hectare which is lower than 0.79 lakh hectares during corresponding period last year. In Maharashtra, it has been sown in around 0.71 lakh hectares which is lower than 1.37 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 Gujarat, maize progressive area of Rabi 2018-19 is 0.75 lakh hectares which is lower than 0.82 lakh hectares during corresponding period last year. Current year sowing reported slowly due to lower rainfall. However, in Telangana, Maize sowing for the Rabi season as of 14th Dec'18 reported at 0.72 lakh hectares which is higher than 0.49 lakh hectares in the corresponding period last year. It is at vegetative stage.

RECOMMENDATION:

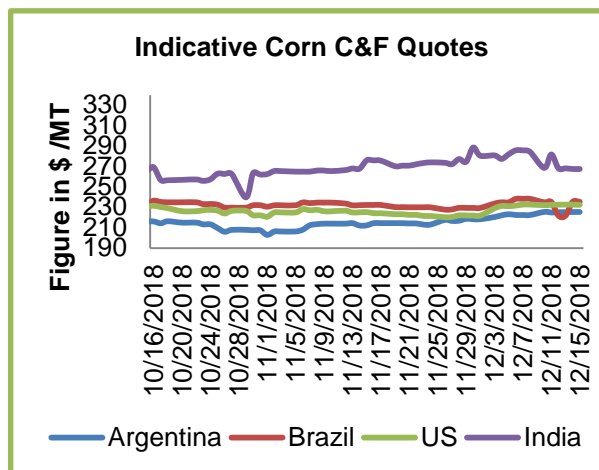
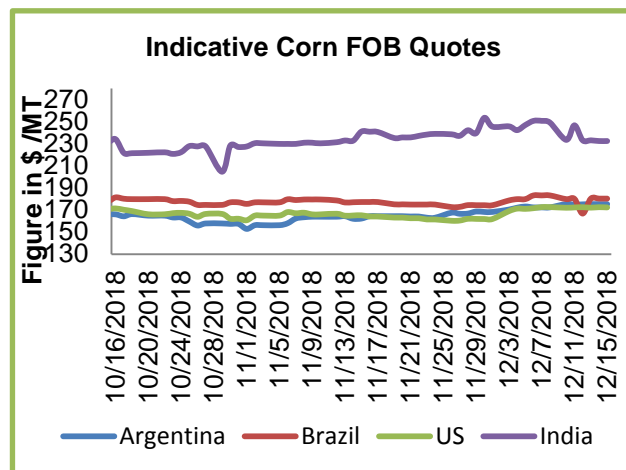
Weekly Call - : Market participants are advised to wait in Maize as there is less trade volume in to the market. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1700-1750 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 1.38 USD/ MT to 147.83 USD/MT for December'18 contract compared to last week.

At 0.95 MMT (for the period 30th November- 6th December, 2018) US corn exports were down 18 per cent from the previous week and 9 per cent from the previous 4-week average; mainly for the destinations like Mexico (384,400 MT), Japan (201,400 MT), Saudi Arabia (146,500 MT), South Korea (68,400 MT), and Peru (45,000 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.92)				
As on 15.12.2018	Argentina	Brazil	US	India
FOB	175.30	180.30	172.30	232.47
C&F	225.30	235.30	232.30	267.47

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

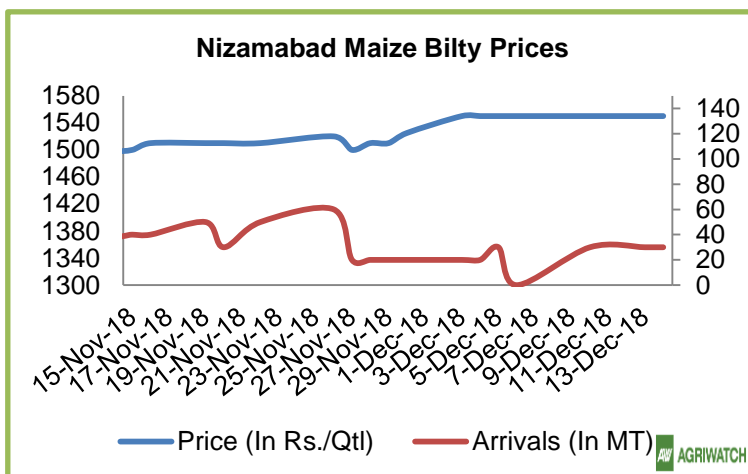
From the trade point of view, In Nizamabad, Local starch makers are buying it at Rs. 1400 per quintal while poultry feed makers are buying it at Rs. 1570 per quintal. Maize is moving to Hyderabad at Rs. 1650 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 1820 per quintal and Nammakal at Rs. 1900 per quintal (Delivered price), sourced from Davangere. In Bihar, maize is moving towards Kolkata at Rs. 1850-1900 per quintal.

CURRENT MARKET DYNAMICS:

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

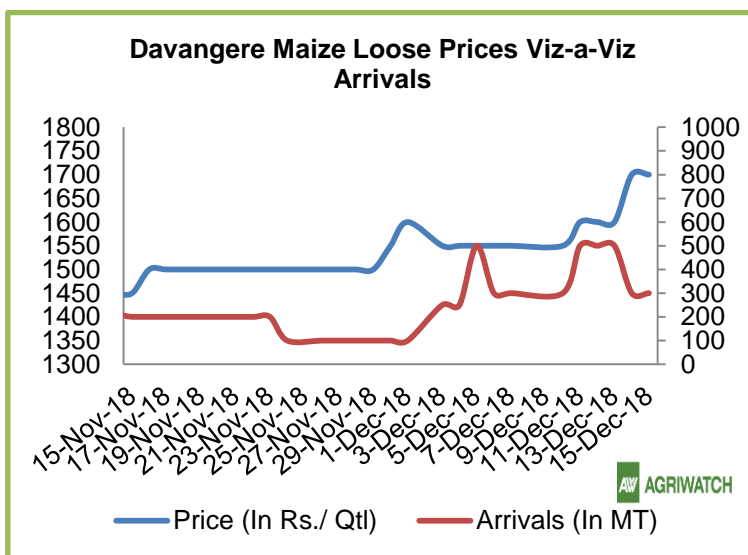
ANDHRA PRADESH & TELANGANA:

- In Nizamabad, most of the material arriving in open market is of low quality; around 7-8% grain is damaged and small in size. Local starch makers are buying it at Rs. 1400 per quintal while poultry feed makers are buying at Rs. 1570 per quintal. Maize is moving to Hyderabad at Rs. 1650 per quintal. It is likely to trade steady to slightly firm in near term.



KARNATAKA:

- In Davangere region of Karnataka, maize is likely to trade firm on the expectation of increase in demand. Trade sources revealed that maize is moving towards Bangalore at Rs. 1820 per quintal and Nammakal at Rs. 1900 per quintal (Delivered price), sourced from Davangere.



DOMESTIC MAIZE OUTLOOK:

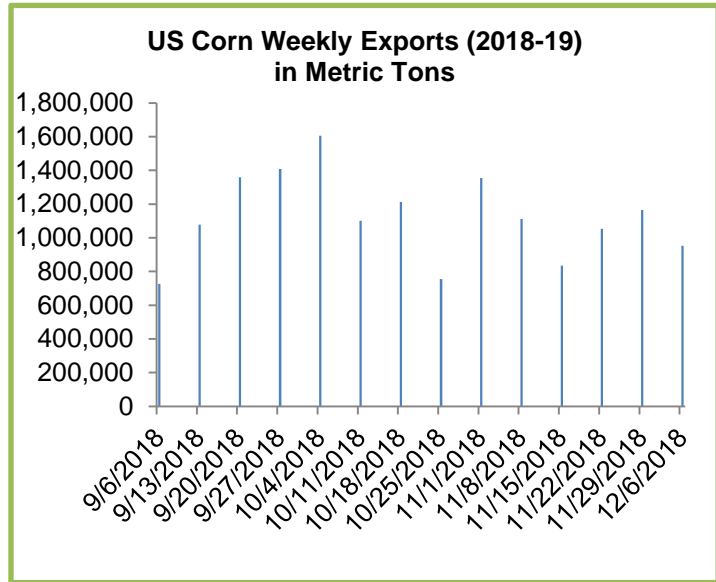
Prices of standard quality maize are likely to be firm in the near term.

INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 15.72 MMT in the 2018-19 marketing year. At 0.95 MMT (for the period 30th November- 6th December, 2018) US corn exports were down 18 percent from the previous week and 9 percent from the previous 4-week average; mainly for the destinations like Mexico (384,400 MT), Japan (201,400 MT), Saudi Arabia (146,500 MT), South Korea (68,400 MT), and Peru (45,000 MT).



- USDA increased its global corn ending stocks estimates 335,231 thousand metric tons for Dec 2018/19 compared to 334,180 thousand metric tons for Nov 2018/19. USDA forecasted unchanged ending stock estimates for China 208,327 thousand metric tons, Argentina 5,605 thousand metric tons for Dec 2018/19 compared to last month.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 1.38 USD/ MT to 147.83 USD/MT for December'18 contract compared to last week.

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1700-1750 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	13-Dec-18	6-Dec-18	13-Nov-18	13-Dec-17	13-Dec-16
Naugachia	Bilty	1725	1675	Closed	1275	1575
Delhi	Hybrid Maize (U.P.)	1725	1750	1525	1325	1575
Davangere	Loose Price	1600	1550	1450	1300	1450
Shimoga	Bilty	NA	1580	NA	1250	1410
Ranebennur	Bilty	1700	1650	1500	1235	NA
Bagalkot	Hybrid/Local	1656	1600	1470	1196	NA
Gadag	Local	1615	1566	1388	1178	1371
Nizamabad	Bilty	1550	1550	1520	1380	1440
Khanna	Bilty	1730	1610	NA	1450	1650
Sangli	Feed	1744	1710	1533	1280	1429
Ahmedabad	Feed	1800	1700	1525	1370	1425
	Starch	1850	1850	1550	1400	1500

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	13-Dec-18	6-Dec-18	Change
Corn CBOT Prices	Dec-18	147.83	146.45	1.38
	Mar-19	151.27	150.68	0.59
	May-19	154.23	153.54	0.69
	Jul-19	156.78	156.00	0.78
	Sep-19	157.37	156.19	1.18

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