



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Maize cash markets traded firm during the week and are likely to trade steady to 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. Nizambad, Kamareddy, Medak, Warangal (U) (R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall armyworm. Demand from Kolkata and Jharkhand is also supporting to Bihar market. Considering the all above mentioned facts, Agriwatch expects maize could trade firm in the coming weeks.

However, if government allows non GMO maize import of 1 million tons at zero duty to overcome a shortage in domestic market; maize prices could sustain from the end of month of Jan.

As per trade source, Telangana government may release their stock in to the market during the month of Jan. 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 11.27 lakh hectares as of 21st December, 2018 which is lower than 12.57 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 4.11 lakh a hectare which is lower than 4.13 lakh hectares during corresponding period last year. In Karnataka, it has been sown in around 0.72 lakh hectare which is lower than 0.83 lakh hectares during corresponding period last year. In Maharashtra, it has been sown in around 0.84 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. In Maharashtra, maize area is likely to shift towards sugarcane. In Gujarat, maize progressive area of Rabi 2018-19 is 0.80 lakh hectares which is lower than 0.87 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 21st Dec'18 reported at 0.78 lakh hectares which is higher than 0.71 lakh hectares in the corresponding period last year. It is at vegetative stage. Trade sources revealed that in Nizamabad, around 10-15% crop is affected by fall armyworm.

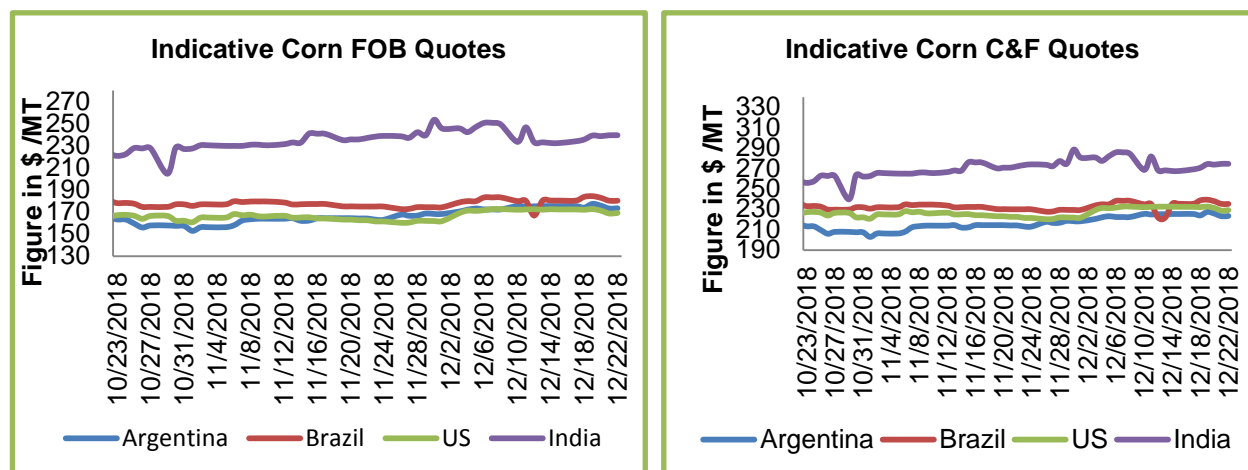
RECOMMENDATION:

Weekly Call - : Market participants are advised to wait in Maize as there is no 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 fall by 3.57 USD/ MT to 147.70 USD/MT for Mar'19 contract compared to last week due to low export demand for U.S corn. Besides, Crop-boosting rains in South America are also putting pressure on CBOT corn market.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 70.15)				
As on 22.12.2018	Argentina	Brazil	US	India
FOB	173.33	180.20	169.09	239.52
C&F	223.33	235.20	229.09	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

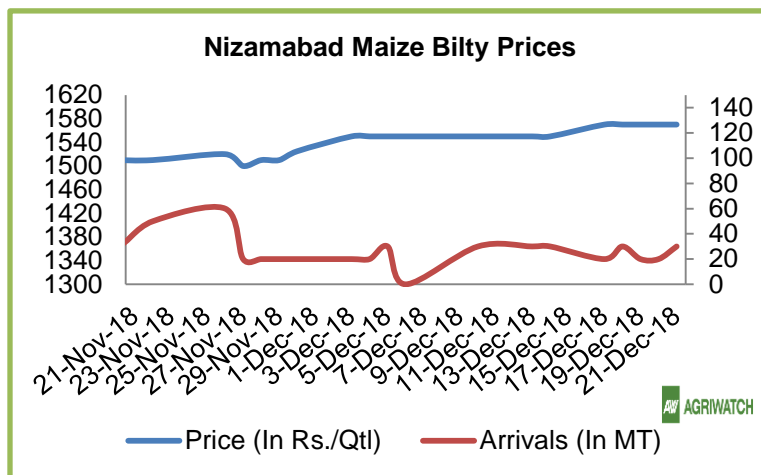
From the trade point of view, In Nizamabad, Local starch makers are buying it at Rs. 1420 per quintal while poultry feed makers is buying it at Rs. 1560 per quintal. Maize is moving to Hyderabad at Rs. 1650-1670 per quintal. Meanwhile, it is moving towards Bangalore and Sangali at Rs. 1850 per quintal each, Nammakal at Rs. 1900 per quintal and Chennai at Rs. 1920 per quintal (Delivered price), sourced from Davangere. In Bihar, maize is moving towards Kolkata at Rs. 1900-1950 and Jharkhand at Rs. 1900 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:

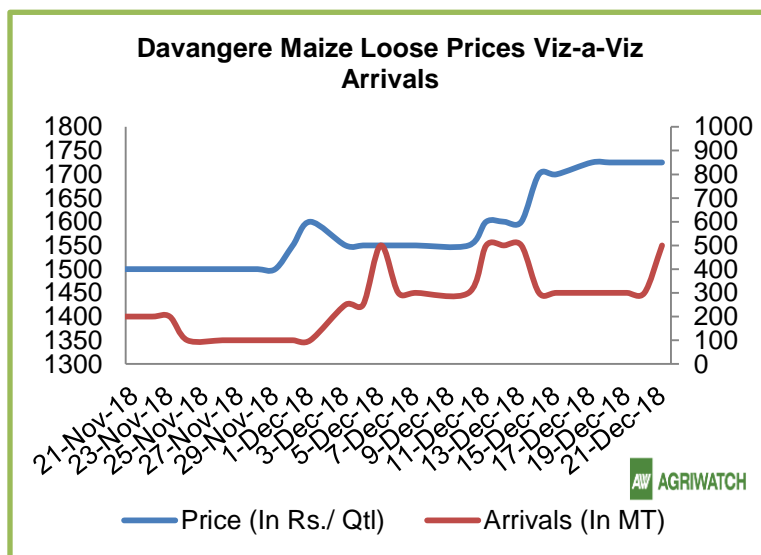
ANDHRA PRADESH & TELANGANA:

- In Nizamabad, most of the material arriving in open market is of low quality; around 7-8% grain is damaged and small in size. Local starch feed makers are buying it at Rs. 1420 per quintal while poultry feed makers are buying at Rs. 1560 per quintal. Maize is moving to Hyderabad at Rs. 1650-70 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 due to good demand from Tamilnadu and Bangalore. Trade sources revealed that maize is moving towards Bangalore and Sangali at Rs. 1850 per quintal each, Nammakal at Rs. 1900 per quintal, Chennai at Rs. 1920 per quintal (Delivered price), sourced from Davangere. Grain size is medium and contains 14% moisture.



DOMESTIC MAIZE OUTLOOK:

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

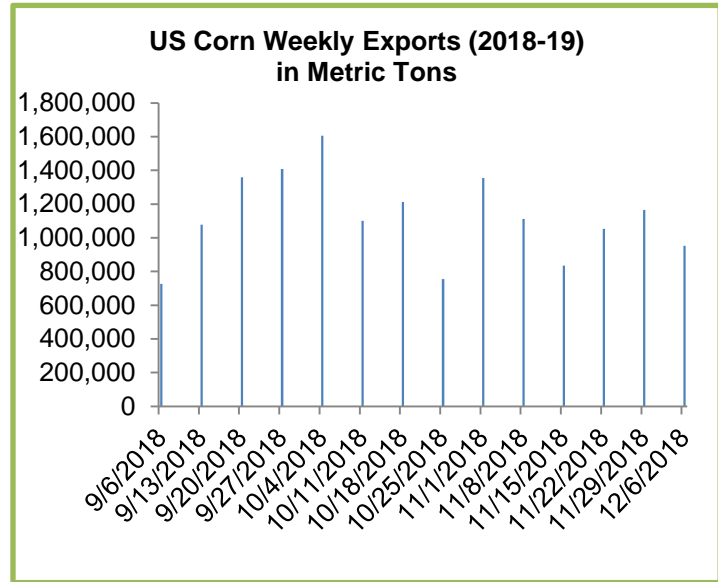


INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, exporters sell 0.42 MMT corn to Mexico, of which 0.37 MMT is for delivery during 2018/19 and 0.05 MMT for delivery during 2019/20.
- Feed industry procurement association of Taiwan purchased up to 65,000 tons of corn at a premium of 156.5 U.S. cents c&f over the Chicago May 2019 corn contract, for the shipment between March 6 and March 25, 2019.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 3.57 USD/ MT to 147.70 USD/MT for Mar'19 contract compared to last week due to low export demand for U.S corn. Besides, Crop-boosting rains in South America are also putting pressure on CBOT corn market.

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	20-Dec-18	13-Dec-18	20-Nov-18	20-Dec-17	20-Dec-16
Naugachia	Bilty	1825	1725	1525	1225	1550
Delhi	Hybrid Maize (U.P.)	1850	1725	1550	1325	1575
Davangere	Loose Price	1725	1600	1500	1270	1450
Shimoga	Bilty	1650	NA	1425	1260	1430
Ranebennur	Bilty	1710	1700	1465	1220	1450
Bagalkot	Hybrid/Local	1725	1656	1500	NA	1370
Gadag	Local	1700	1615	1463	1182	1365
Nizamabad	Bilty	1570	1550	1510	1360	1450
Khanna	Bilty	1900	1730	NA	1450	1600
Sangli	Feed	1841	1744	1542	1300	1425
Ahmedabad	Feed	1900	1800	1625	1350	1460
	Starch	1925	1850	1650	1360	1510

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	20-Dec-18	13-Dec-18	Change
Corn CBOT Prices	Mar-19	147.7	151.27	-3.57
	May-19	150.8	154.23	-3.43
	Jul-19	153.6	156.78	-3.18
	Sep-19	154.4	157.37	-2.97
	Dec-19	156.2	-	-

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