

# Maize Weekly Research Report

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### **EXECUTIVE SUMMARY**

#### **DOMESTIC MAIZE MARKET SUMMARY**

Maize cash markets traded mixed during the week and are likely to trade steady to firm in the near term due to scarcity of the good quality material amid high feed makers demand. However, if Government takes decision to allow maize imports and release their stock into the market; it could trade steady to slightly weak.

In Nizamabad, most of the material arriving in open market is of low quality; around 7-8% grain is damaged and small in size. Nizamabad, Kamareddy, Warangal (U) (R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall army worm. Trade sources revealed that in Nizamabad, around 10-15% crop is affected by fall army worm.

#### **STATE WISE RABI SOWING COVERAGE**

In India, Rabi maize has been sown in around 12.13 lakh hectares as of 28th December, 2018 which is lower than 13.64 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 4.27 lakh hectare which is almost equal to 4.31 lakh hectares during corresponding period last year. In Karnataka, it has been sown in around 0.76 lakh hectare which is lower than 0.88 lakh hectares during corresponding period last year. In Maharashtra, it has been sown in around 0.90 lakh hectares which is lower than 1.57 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 28th Dec'18 reported at 0.78 lakh hectares which is higher than 0.75 lakh hectares in the corresponding period last year. It is at vegetative stage.

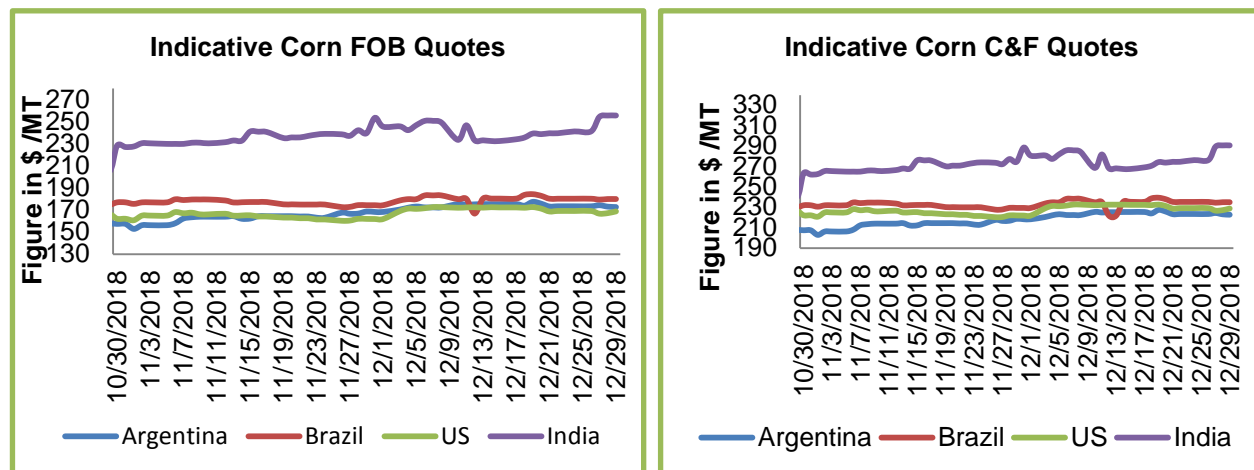
#### **RECOMMENDATION:**

Weekly Call - : Market participants are advised to wait in Maize as there is no trade volume in to the market. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1670-1730 per quintal for the week.

#### **INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT fall by 0.27 USD/ MT to 147.43 USD/MT for Mar'19 contract compared to last week due to low export demand for U.S corn from China. 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. 69.97)				
As on 29.12.2018	Argentina	Brazil	US	India
FOB	172.64	179.90	168.70	255.60
C&F	222.64	234.90	228.70	290.60

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

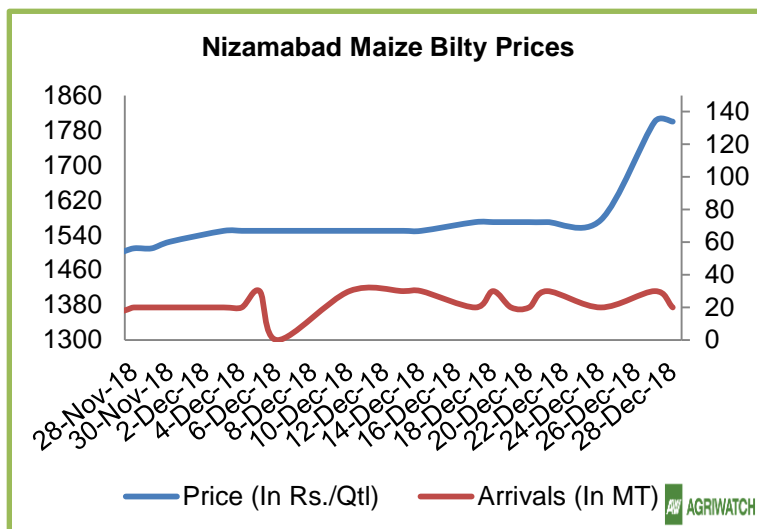
From the trade point of view, in Nizamabad, local starch makers are buying it at Rs. 1525 per quintal. Also, it is moving towards Hyderabad at Rs. 1800 per quintal. In Bihar, maize is moving towards Kolkata at Rs. 1900-1950 and Jharkhand at Rs. 1900 per quintal.

## CURRENT MARKET DYNAMICS:

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

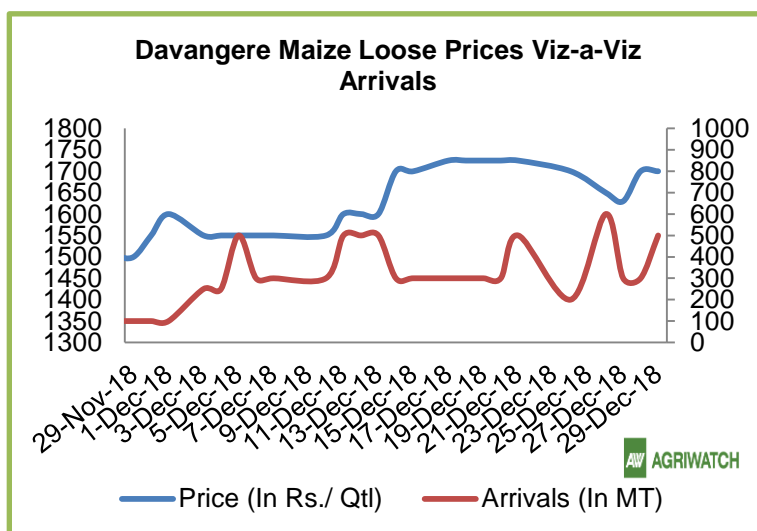
### ANDHRA PRADESH & TELANGANA:

- In Nizamabad, most of the material arriving in open market is of low quality; around 7-8% grain is damaged and small in size. Nizamabad, Kamareddy, Warangal (U) (R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall army worm. Trade sources revealed that in Nizamabad, around 10-15% crop is affected by fall army worm. Local starch makers are buying it at Rs. 1525 per quintal. Also, it is moving towards Hyderabad at Rs. 1800 per quintal.
- During the week, in Andhra Pradesh, Due to scarcity of the good quality material, delay in imports and fresh demand of Tamilnadu feed makers leading to maize cash market. Further, prices direction could depend on the Government decision to allow the maize imports and also depends on the stock release into the market.



### KARNATAKA:

- In Davangere region of Karnataka, maize is likely to trade steady to slightly firm due to local stockists demand at Rs. 1780 per quintal (Delivered Price). Grain size is medium and contains 14% moisture. Trade sources revealed that stock of maize could be around 1000 MT.



## DOMESTIC MAIZE OUTLOOK:

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

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT fall by 0.27 USD/ MT to 147.43 USD/MT for Mar'19 contract compared to last week due to low export demand for U.S corn from China. 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.1670-1730 per quintal for the week.



### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	27-Dec-18	20-Dec-18	27-Nov-18	27-Dec-17	27-Dec-16
Naugachia	Bilty	1875	1825	1575	1225	1525
Delhi	Hybrid Maize (U.P.)	1850	1850	1700	1320	1550
Davangere	Loose Price	1630	1725	1500	1250	1470
Shimoga	Bilty	1650	1650	1480	1300	1420
Ranebennur	Bilty	1715	1600	1560	1200	1460
Bagalkot	Hybrid/Local	1710	1725	1591	NA	1415
Gadag	Local	1683	1700	1551	1176	1402
Nizamabad	Bilty	1800	1570	1500	1360	1450
Khanna	Bilty	1960	1900	NA	1440	1600
Sangli	Feed	1835	1841	1651	1290	1429
Ahmedabad	Feed	1850	1900	1700	1310	1500
	Starch	1885	1925	1750	1320	1525

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	27-Dec-18	20-Dec-18	Change
Corn CBOT Prices	Mar-19	147.43	147.7	-0.27
	May-19	150.49	150.8	-0.31
	Jul-19	153.34	153.6	-0.26
	Sep-19	154.32	154.4	-0.08
	Dec-19	156.00	156.2	-0.20

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