

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
- ❖ Davangere Market Analysis
- ❖ Annexure

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Maize cash markets traded mixed during the week and are likely to trade steady to slightly 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.

Trade sources revealed that around 850 MT has been released by Government at Rs. 1770 per quintal (Average Price). It is expected that firmness could be restricted due to Government release.

As per trade sources, India exported 29,016 MT of maize for the month of November'18 at an average FoB of \$241.33/ MT. Indian maize is exported mainly to Nepal followed by Philippines, Sri Lanka and Qatar mainly through JNPT followed by Raxaul and Mundra port.

STATE WISE RABI SOWING COVERAGE

In India, Rabi maize has been sown in around 12.88 lakh hectares as of 4th January, 2019 which is lower than 14.34 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 4.47 lakh hectare which is almost equal to 4.57 lakh hectares during corresponding period last year. In Karnataka, it has been sown in around 0.76 lakh hectare which is lower than 0.99 lakh hectares during corresponding period last year. In Maharashtra, it has been sown in around 0.95 lakh hectares which is lower than 1.76 lakh hectares during corresponding period last year. In Maharashtra, maize area is likely to shift towards sugarcane. In Gujarat, maize progressive area of Rabi 2018-19 is 0.92 lakh hectares which is lower than 0.95 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 4th Jan'19 reported at 0.90 lakh hectares which is higher than 0.75 lakh hectares in the corresponding period last year. It is at vegetative stage.

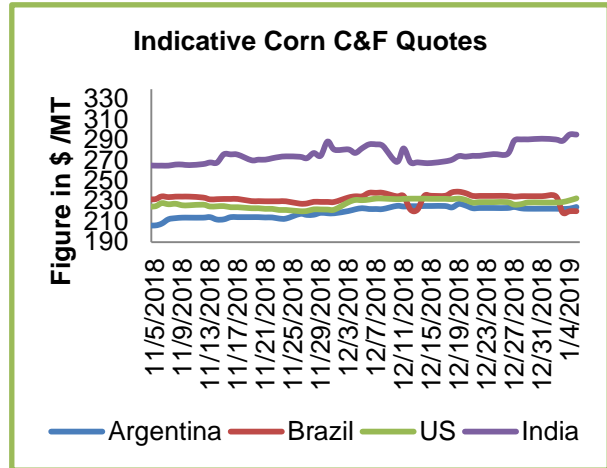
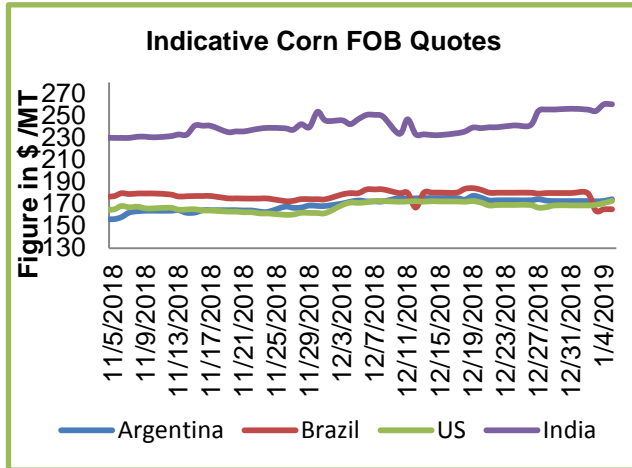
RECOMMENDATION:

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. 1680-1730 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT raised by 2.07 USD/ MT to 149.50 USD/MT for Mar'19 contract compared to last week with the support of increase in soybeans and wheat prices.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.54)				
As on 05.01.2019	Argentina	Brazil	US	India
FOB	174.31	165.20	172.80	260.34
C&F	224.31	220.20	232.80	295.34

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

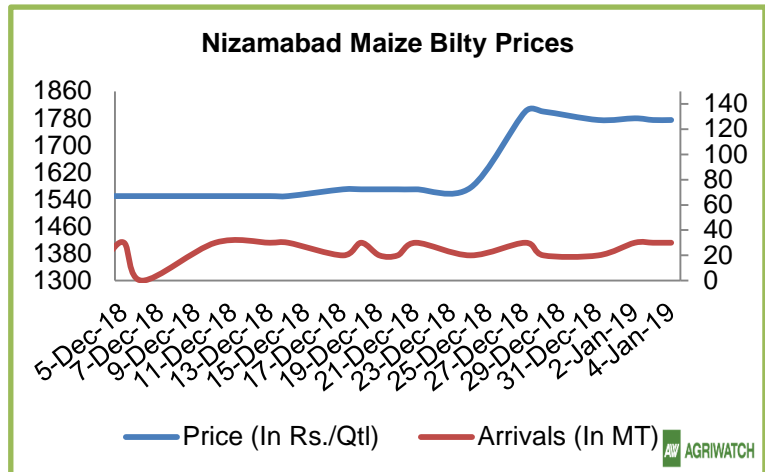
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 1800-1850 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 1850 per quintal, Nammakal at Rs. 1900 per quintal (Delivered price), and Chennai at Rs. 1920 per quintal; sourced from Davangere. In Bihar, maize is moving towards Kolkata at Rs. 1900 per quintal respectively.

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:

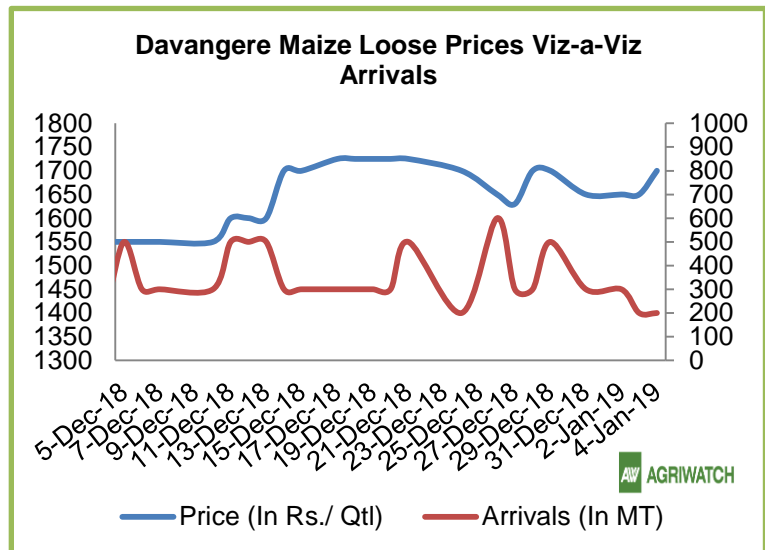
ANDHRA PRADESH & TELANGANA:

- 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.
- Trade sources revealed that around 850 MT has been released by Government at Rs. 1770 per quintal (Average Price). It is expected that firmness could be restricted due to Government release.
- During the week, in Andhra Pradesh, Due to scarcity of the good quality material 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. 1750-1770 per quintal (Delivered Price). Demand from Tamilnadu feed makers is also likely to support maize cash market. As per trade source, around 10,000 MT of maize has been stocked by stockists.



DOMESTIC MAIZE OUTLOOK:

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

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT raised by 2.07 USD/ MT to 149.50 USD/MT for Mar'19 contract compared to last week with the support of increase in soybeans and wheat prices.

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1680-1730 per quintal for the week.

ANNEXURE
MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	3-Jan-19	27-Dec-18	3-Dec-18	3-Jan-18	3-Jan-17
Naugachia	Bilty	1875	1875	1650	1225	1550
Delhi	Hybrid Maize (U.P.)	1850	1850	1750	1320	1575
Davangere	Loose Price	1650	1630	1550	1250	1470
Shimoga	Bilty	NA	1650	1550	1300	NA
Ranebennur	Bilty	1680	NA	1650	1220	1480
Bagalkot	Hybrid/Local	1686	1656	1640	1160	1423
Gadag	Local	1646	1680	1670	1075	1375
Nizamabad	Bilty	1775	1800	1550	1360	1450
Khanna	Bilty	1990	1960	1620	1450	1625
Sangli	Feed	1800	1835	1720	1281	1459
Ahmedabad	Feed	1800	1850	1700	1300	1525
	Starch	1850	1885	1750	1340	1550

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	3-Jan-19	27-Dec-18	Change
Corn CBOT Prices	Mar-19	149.50	147.43	2.07
	May-19	152.55	150.49	2.07
	Jul-19	155.41	153.34	2.07
	Sep-19	156.29	154.32	1.97
	Dec-19	157.87	156.00	1.87

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