

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded firm during the week and are likely to trade firm ahead due to scarcity of the good quality material amid high feed makers demand. As trade sources revealed that imports are not being possible due to Ukraine crop quality and firmness of Indian maize prices could continue.

Nizambad, 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.

In Davangere, demand from Bangalore and Tamil Nadu feed makers is still supporting to maize cash market despite new crop in Tamilnadu has started.

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 14.13 lakh hectares as of 18th January, 2019 which is lower than 15.62 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 4.58 lakh hectare which is slightly lower than 4.66 lakh hectares during corresponding period last year. In Karnataka, it has been sown in around 0.81 lakh hectare which is lower than 0.99 lakh hectares during corresponding period last year. In Maharashtra, it has been sown in around 1.16 lakh hectares- lower than 1.90 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 0.97 lakh hectares which is equal to 0.96 lakh hectares during corresponding period last year. In Telangana, Maize sowing for the Rabi season as of 18th Jan'19 reported at 0.94 lakh hectares which is higher than 1.04 lakh hectares in the corresponding period last year. It is at vegetative stage.

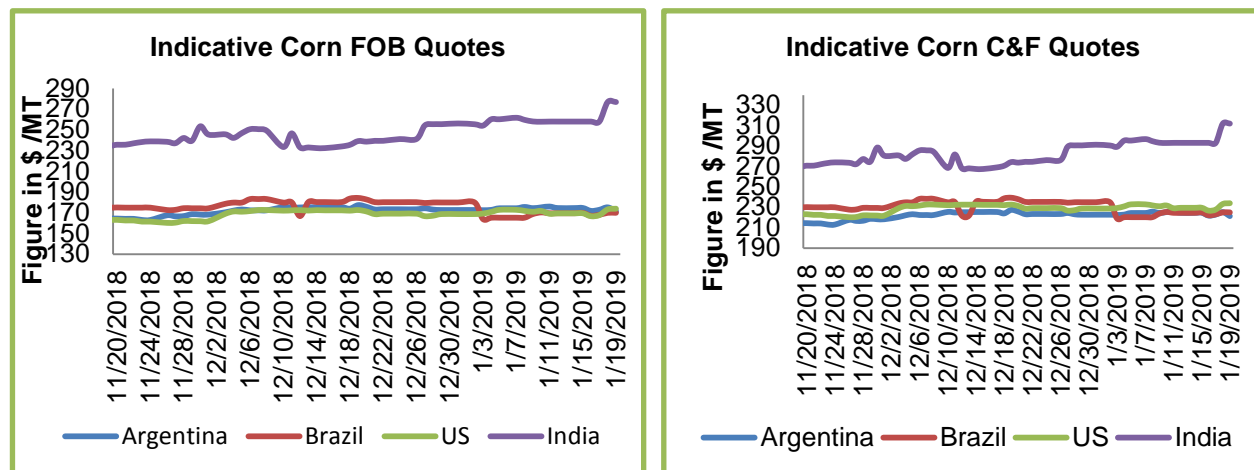
RECOMMENDATION:

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. 1850-1950 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 1.48 USD/ MT to 149.60 USD/MT for Mar'19 contract compared to last week and is expected to trade firm ahead due to poor crop weather conditions in South America and expectation of increase in demand from China for U.S corn.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.24)				
As on 19.01.2019	Argentina	Brazil	US	India
FOB	171.26	169.90	173.90	276.99
C&F	221.26	224.90	233.90	311.99

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

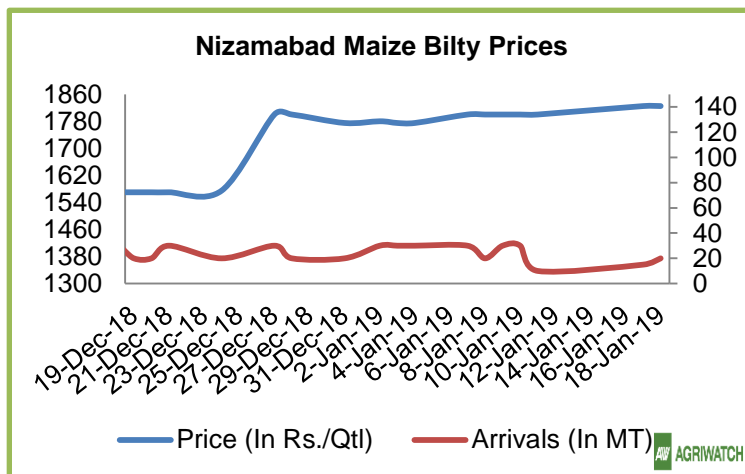
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 1950 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 1980-2000 per quintal and Namakkal at Rs. 2050 per quintal (Delivered price); sourced from Davangere. In Bihar, maize is moving towards Kolkata and Jharkhand at Rs. 2100 per quintal each.

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:

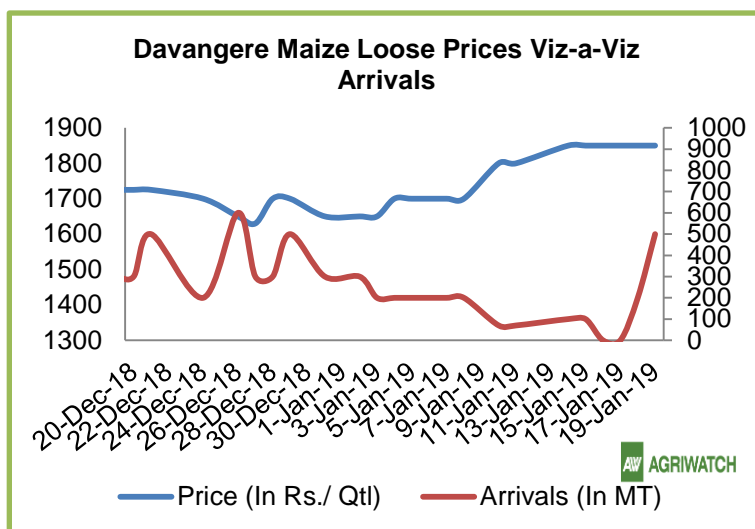
ANDHRA PRADESH & TELANGANA:

- 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.
- During the week, prices in Andhra Pradesh traded firm amid scarcity of the good quality material. Further prices direction could depend on the stock release by Government 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. 1900 per quintal (Delivered Price). Demand from Bangalore and Tamil Nadu feed makers is still supporting to maize cash market despite new crop in Tamilnadu has started. As per trade source, around 40,000 MT of maize has been stocked by stockists.



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 rose by 1.48 USD/ MT to 149.60 USD/MT for Mar'19 contract compared to last week and is expected to trade firm ahead due to poor crop weather conditions in South America and expectation of increase in demand from China for U.S corn.

DAVANGERE MARKET ANALYSIS: MAIZE

In Davangere cash market, maize (loose) prices are likely to trade at Rs.1850-1950 per quintal for the week.



ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	17-Jan-19	10-Jan-19	17-Dec-18	17-Jan-18	17-Jan-17
Naugachia	Bilty	1875	1825	1800	NA	1575
Delhi	Hybrid Maize (U.P.)	2000	1750	1750	1325	1560
Davangere	Loose Price	1850	1550	1725	1230	1500
Shimoga	Bilty	1810	1800	1650	1250	1430
Ranebennur	Bilty	1890	1900	1710	1200	1501
Bagalkot	Hybrid/Local	1825	1850	1720	1149	1438
Gadag	Local	1790	1810	1681	1073	1439
Nizamabad	Bilty	1825	1800	1570	1340	1450
Khanna	Bilty	2025	1950	1840	1410	1600
Sangli	Feed	1948	1717	1823	NA	1486
Ahmedabad	Feed	2000	2000	1800	1300	1500
	Starch	1980	2000	1900	1330	1520

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	17-Jan-19	10-Jan-19	Change
Corn CBOT Prices	Mar-19	149.60	148.12	1.48
	May-19	152.75	151.37	1.38
	Jul-19	155.70	154.42	1.28
	Sep-19	156.88	155.50	1.38
	Dec-19	158.75	157.08	1.67

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