

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

Major 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. Delay in imports likely to keep firmness of Indian maize prices.

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

STATE WISE RABI SOWING COVERAGE

In India, Rabi maize has been sown in around 14.88 lakh hectares as of 01st February, 2019 which is lower than 16.50 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. Trade sources revealed that area shifted towards wheat and Mustard. Crop conditions are favourable till the time. 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 1.99 lakh hectares during corresponding period last year. 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 01st February'19 reported at 1.02 lakh a hectare which is lower than 1.20 lakh hectares in the corresponding period last year. Trade sources revealed that area shifted towards red Jowar. Crop is at vegetative stage to knee high stage. 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.

RECOMMENDATION:

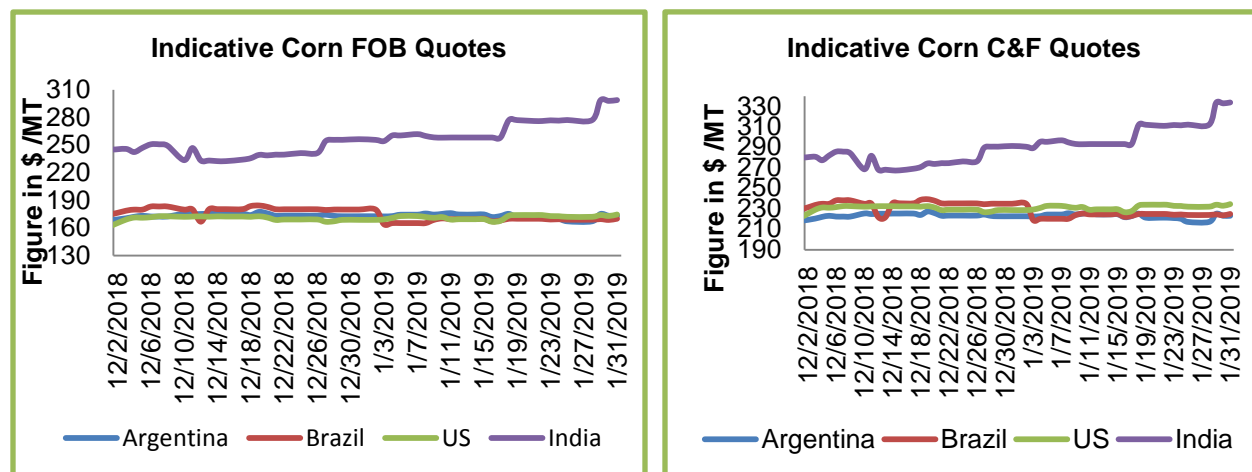
Weekly Call - : Market participants are advised to wait in Maize as there is no trade volume in maize future market. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1950-2000 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 0.20 USD/ MT to 148.22 USD/MT for Mar'19 contract compared to last week on the forecast for improving crop weather conditions in South America.

At 0.899 MMT (for the period 14th December- 20th December, 2018) US corn exports were down 8 per cent from the previous week and 13 per cent from the previous 4-week average.

EXPORT PARITY TREND



| Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.11) | | | | |
|--|-----------|--------|--------|--------|
| As on 31.01.2019 | Argentina | Brazil | US | India |
| FOB | 173.13 | 169.90 | 174.50 | 298.75 |
| C&F | 223.13 | 224.90 | 234.50 | 333.75 |

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

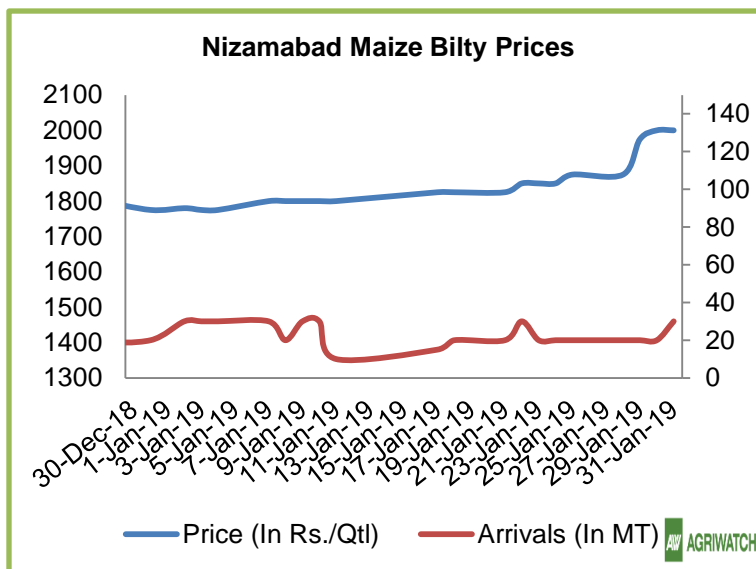
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 2050 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 2050 per quintal, Namakkal at Rs. 2150 per quintal, Chitradurga at Rs. 2000 per quintal, Sangali at Rs. 1950 per quintal, Ranebennur at Rs. 1975-1980 per quintal each and Chennai at Rs. 2200 per quintal (Delivered price); sourced from Davangere. In Bihar, maize is moving towards Kolkata and Jharkhand at Rs. 2250 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:

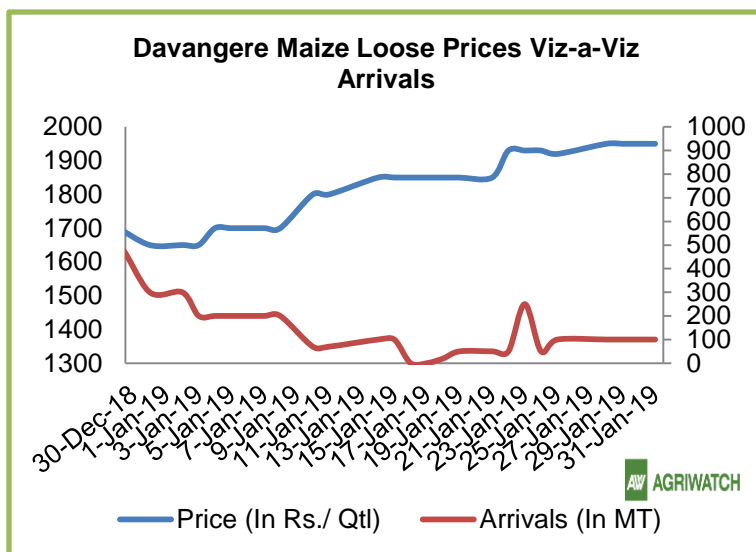
TELANGANA:

- In Telangana, Maize sowing for the Rabi season as of 01st February'19 reported at 1.02 lakh a hectare which is lower than 1.20 lakh hectares in the corresponding period last year. Trade sources revealed that area shifted towards red Jowar. Crop is at vegetative stage to knee high stage. 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.
- In Nizamabad, maize is moving to Hyderabad at Rs. 2050 per quintal.



KARNATAKA:

- In Davangere region of Karnataka, maize is likely to trade firm as 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 MARKET HIGHLIGHT:

U.S corn exports reached 17.60 MMT in the 2018-19 marketing year. At 0.899 MMT (for the period 14th December- 20th December, 2018) US corn exports were down 8 per cent from the previous week and 13 per cent from the previous 4-week average; mainly for the destinations like Mexico (234,700 MT), Japan (151,600 MT), South Korea (133,600 MT), Colombia (124,000 MT), and Taiwan (81,800 MT).

South African maize farmers are likely to plant lesser crop in the 2018/19 farming season compared to last season due to lower rainfall and warmer temperature. It is expected that crop could be lesser by 2% to 2.269 million hectare in the 2018/19. Prices of maize in South Africa have increased on the concern over less expected yield as dry conditions have delayed crop plantings out of optimum planting window.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 0.20 USD/ MT to 148.22 USD/MT for Mar'19 contract compared to last week on the forecast for improving crop weather conditions in South America.

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1950-2000 per quintal for the week.

ANNEXUREMAIZE SPOT MARKET PRICES (RS. /QUINTAL)

| Maize(Corn)Weekly Prices: | | | | | | |
|---------------------------|---------------------|-----------|-----------|-----------|-----------|-----------|
| Market | Grade | 31-Jan-19 | 24-Jan-19 | 31-Dec-18 | 31-Jan-18 | 31-Jan-17 |
| Naugachia | Bilty | 2125 | 2025 | 1875 | NA | 1575 |
| Delhi | Hybrid Maize (U.P.) | 2100 | 2050 | 1850 | 1325 | 1600 |
| Davangere | Loose Price | 1950 | 1930 | 1650 | NA | 1550 |
| Shimoga | Bilty | 1930 | 1880 | 1630 | 1330 | 1440 |
| Ranebennur | Bilty | 2050 | 1925 | 1730 | 1185 | 1530 |
| Bagalkot | Hybrid/Local | 1906 | 1876 | 1615 | 1159 | 1450 |
| Gadag | Local | 1913 | 1805 | 1690 | 1120 | 1554 |
| Nizamabad | Bilty | 2000 | 1850 | 1775 | 1320 | 1500 |
| Khanna | Bilty | 2080 | 2090 | 1990 | 1425 | 1610 |
| Sangli | Feed | 2038 | 1980 | 1774 | NA | 1522 |
| Ahmedabad | Feed | 2100 | 2060 | 1780 | 1290 | 1550 |
| | Starch | 2150 | 2000 | 1800 | 1310 | 1575 |

| Maize CBOT Weekly Futures Price Listing (USD/Ton) | | | | |
|---|----------------|-----------|-----------|--------|
| | Contract Month | 31-Jan-19 | 24-Jan-19 | Change |
| Corn CBOT Prices | Mar-19 | 148.22 | 148.42 | -0.20 |
| | May-19 | 151.67 | 151.76 | -0.10 |
| | Jul-19 | 154.62 | 154.91 | -0.30 |
| | Sep-19 | 155.70 | 156.10 | -0.39 |
| | Dec-19 | 157.47 | 157.77 | -0.30 |

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian