

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall major maize cash markets traded firm during the week and are likely to trade steady to slightly 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. News is circulating into the market that Telangana Government could release around 4 lakh tons of maize into market at Rs. 1800-1825 per quintal in the coming days. Also, new crop in Telangana is expected at the end of February month which could limit the firmness.

In Davangere region of Karnataka, maize is likely to trade firm as demand from Bangalore feed makers is still supporting to maize cash market. 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 15.20 lakh hectares as of 08th February, 2019 which is lower than 17.08 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 4.75 lakh hectare which is almost equal to 4.70 lakh hectares during corresponding period last year. 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 2.06 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 08th February'19 reported at 1.06 lakh a hectare which is lower than 1.32 lakh hectares in the corresponding period last year. Crop is at 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 10-20% crop is affected by fall army worm.

RECOMMENDATION:

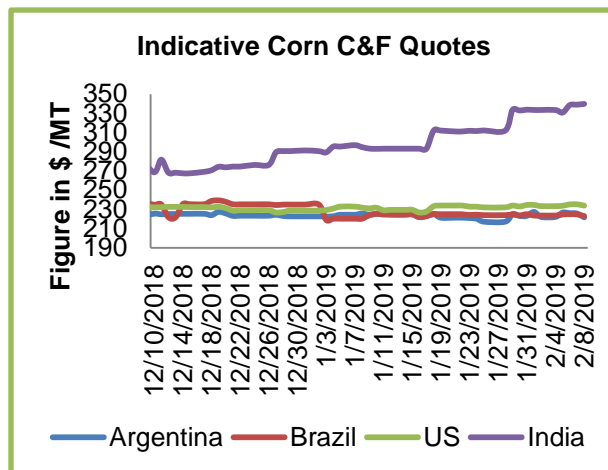
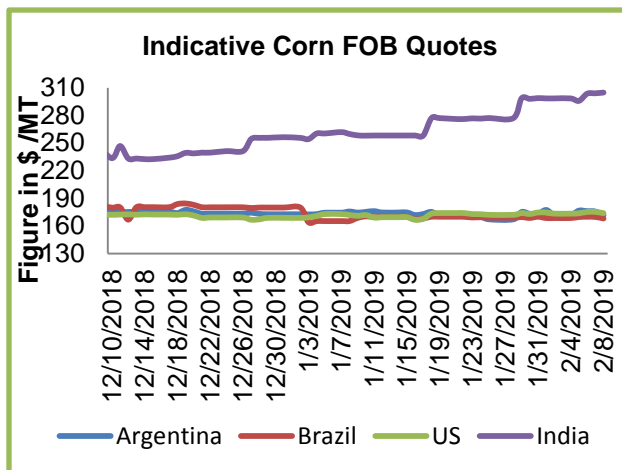
Weekly Call - : Market participants are advised to wait in Maize as there is no trade volume in maize future market. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1950-2000 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT was unchanged at 148.22 USD/MT for Mar'19 contract compared to last week. However, improve in crop weather conditions in South America could weigh on CBOT corn market.

At 1.00 MMT (for the period 21st December- 27th December, 2018) US corn exports were up 12 percent from the previous week and 1 percent from the previous 4-week average.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.29)				
As on 08.02.2019	Argentina	Brazil	US	India
FOB	171.56	168.00	173.80	304.74
C&F	221.56	223.00	233.80	339.74

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

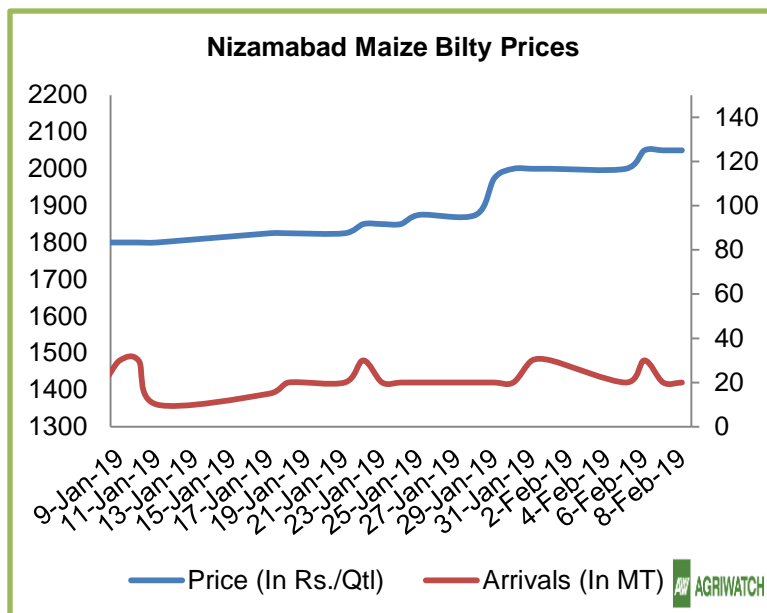
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 2150 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 2050 per quintal, Namakkal at Rs. 2150 per quintal, Chitradurga at Rs. 2000 per quintal, Sangali at Rs. 1950 per quintal and Chennai at Rs. 2200 per quintal (Delivered price); sourced from Davangere. In Bihar, maize is moving towards Kolkata at Rs. 2300 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:

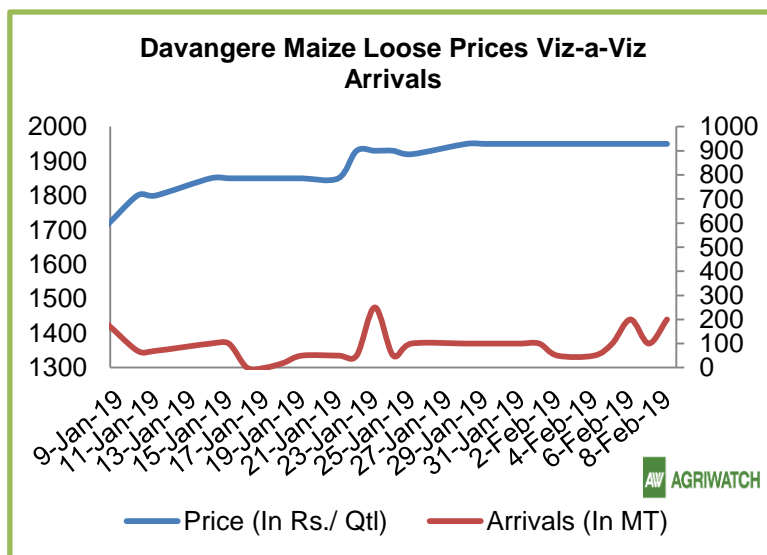
TELANGANA:

- In Telangana, Maize sowing for the Rabi season as of 06th February'19 reported at 1.06 lakh a hectare which is lower than 1.32 lakh hectares in the corresponding period last year. Crop is at 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 10-20% crop is affected by fall army worm. New crop in Telangana is expected to arrive at the end of February month.
- News is circulating into the market that Telangana Government could release around 4 lakh tons of maize into market at Rs. 1800-1825 per quintal in the coming days. If that happen, market could sustain at these levels.



KARNATAKA:

- In Davangere region of Karnataka, maize is likely to trade firm as demand from Bangalore feed makers is still supporting to maize cash market. 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 slightly firm in the near term.

INTERNATIONAL MARKET HIGHLIGHT:

U.S corn exports reached 18.60 MMT in the 2018-19 marketing year. At 1.00 MMT (for the period 21st December- 27th December, 2018) US corn exports were up 12 percent from the previous week and 1 percent from the previous 4-week average; for the destination like Mexico (261,600 MT), Colombia (249,500 MT), South Korea (201,500 MT), Peru (97,800 MT), and Japan (93,700 MT).

USDA increased its global corn ending stocks estimates by 0.98 MMT to 309.78 MMT for 2018/19 compared to its December month forecast for 2018/19. Increase in global corn ending estimates likely to put pressure on international corn market.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT was unchanged at 148.22 USD/MT for Mar'19 contract compared to last week. However, improve in crop weather conditions in South America could weigh on CBOT corn market.

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	7-Feb-19	31-Jan-19	7-Jan-19	7-Feb-18	7-Feb-17
Gulabgh	Bilty	NA	NA	NA	1200	1625
Delhi	Hybrid Maize (U.P.)	2200	2100	1750	1325	1575
Davangere	Loose Price	1950	1950	1700	1230	1540
Shimoga	Bilty	1990	1910	1680	1360	1640
Ranebennur	Bilty	2050	1965	1840	1160	1570
Bagalkot	Hybrid/Local	1946	1906	1760	1149	1460
Gadag	Local	1950	1913	1679	1129	1436
Nizamabad	Bilty	2050	2000	1800	1320	1500
Khanna	Bilty	2230	2080	1985	1400	1600
Sangli	Feed	2145	2038	1924	NA	1540
Ahmedabad	Feed	2275	2100	1870	1270	1550
	Starch	2250	2150	1925	1300	1570

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	07-Feb-19	31-Jan-19	Change
Corn CBOT Prices	Mar-19	148.22	148.22	Unch
	May-19	151.27	151.67	-0.40
	Jul-19	154.42	154.62	-0.20
	Sep-19	155.60	155.7	-0.10
	Dec-19	157.57	157.47	0.10

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