

# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Major maize cash markets traded mixed during the week and are likely to trade mixed in the near term too. At one side, scarcity of goods amid high feed makers demand could keep firmness intact while on the other sides, expectation of new crop could limit the firmness.

In Telangana, expectation of new crop in coming weeks and stock released by Telangana government could limit the firmness while in Davangere region of Karnataka, maize could trade steady to slightly weak due to sluggish demand of Tamilnadu feed makers.

As per trade sources, India exported 30,033 MT of maize for the month of January'19 at an average FoB of \$263.86/ MT. Indian maize is exported mainly to Nepal followed by Yemen, Qatar and Sri Lanka mainly through Raxaul followed by JNPT and Mundra port.

### STATE WISE RABI SOWING COVERAGE

In India, Rabi maize has been sown in around 15.56 lakh hectares as of 22nd February, 2019 which is lower than 17.28 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 2.08 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 22nd February'19 reported at 1.15 lakh a hectare which is lower than 1.47 lakh hectares in the corresponding period last year. Crop is at harvesting stage. Nizambad, Kamareddy, Warangal (U)/(R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall army worm. Trade sources revealed that in Nizamabad, around 10-20% crop is affected by fall army worm. New crop in Telangana is expected to arrive in coming weeks.

### RECOMMENDATION:

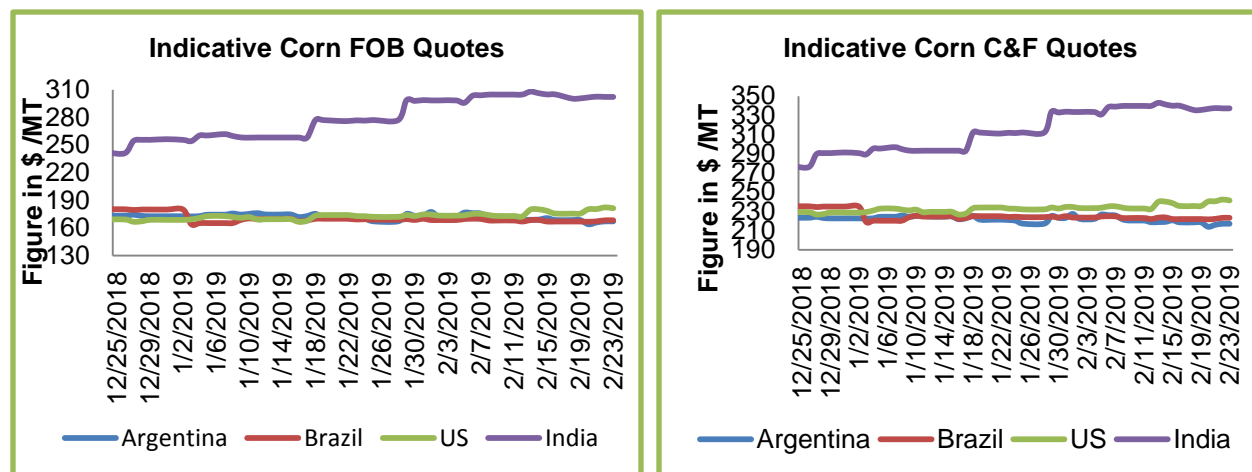
Weekly Call - : Market participants are advised to wait in Maize as there is no trade volume in maize future market. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1950-2000 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 0.30 USD/MT to 147.83 USD/MT for Mar'19 contract compared to last week.

IGC increased its forecast for 2018/19 global corn production by 33 MMT to 1109 MMT compared to previous month forecast; driven by upward revision for China' crop. Forecast for global corn ending stock was also up by 26 MMT to 297 MMT compared to last forecast for 2018/19.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.04)				
As on 23.02.2019	Argentina	Brazil	US	India
FOB	167.03	168.20	181.31	302.20
C&F	217.03	223.20	241.31	337.20

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

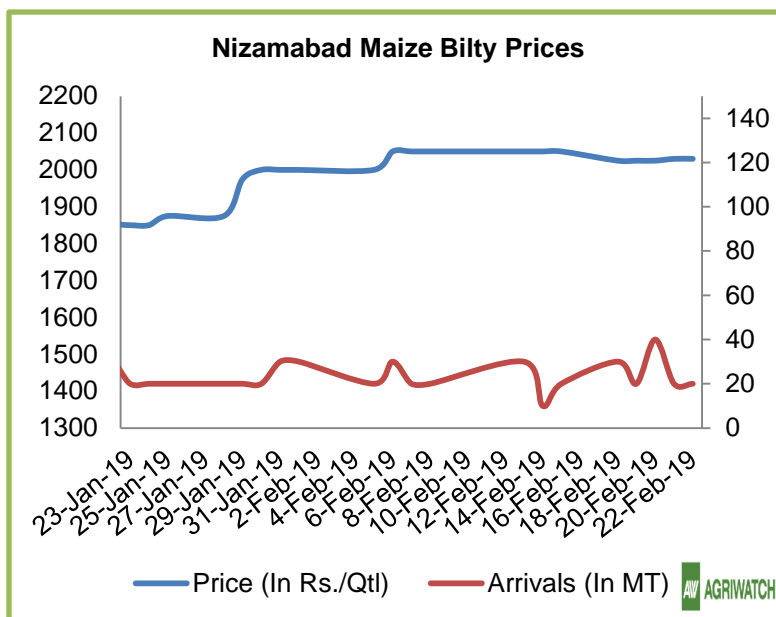
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 2130 per quintal. Meanwhile, maize is moving towards Bangalore at Rs. 2120 per quintal, Namakkal at Rs. 2150 per quintal, Chitradurga at Rs. 2050 per quintal, Sangali at Rs. 2120 per quintal, Ranebennur at Rs. 2050 per quintal and Chennai at Rs. 2200 per quintal (Delivered price); sourced from Davangere. In Bihar, maize is moving towards Kolkata at Rs. 2150 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:

### TELANGANA:

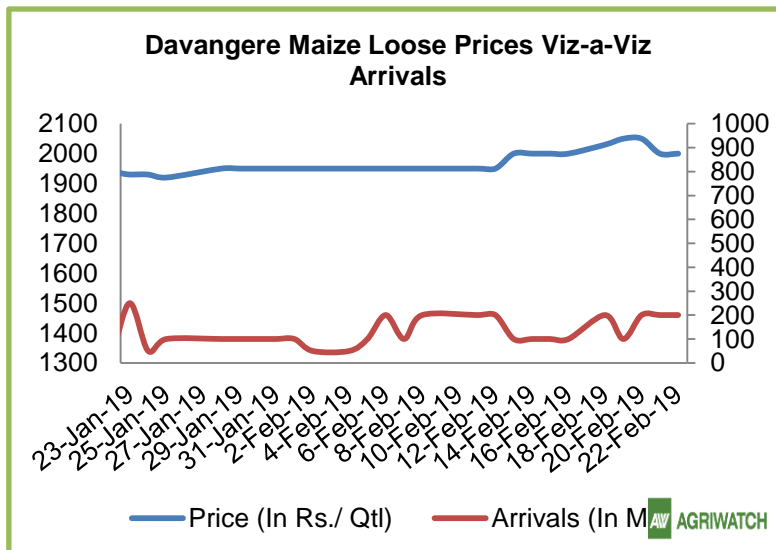
- In Telangana, Maize sowing for the Rabi season as of 22nd February'19 reported at 1.15 lakh a hectare which is lower than 1.47 lakh hectares in the corresponding period last year. Crop is at harvesting stage. Nizamabad, Kamareddy, Warangal (U)/(R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall army worm. Trade sources revealed that in



Nizamabad, around 10-20% crop is affected by fall army worm. Expectation of new crop in coming weeks and stock released by Telangana government could limit the firmness.

### KARNATAKA:

- In Davangere region of Karnataka, maize is moving towards Bangalore at Rs. 2120 per quintal, Namakkal at Rs. 2150 per quintal, Chitradurga at Rs. 2050 per quintal, Sangali at Rs. 2120 per quintal, Ranebennur at Rs. 2050 per quintal and Chennai at Rs. 2200 per quintal (Delivered price); sourced from Davangere. Maize is likely to trade steady to slightly weak due to sluggish demand of Tamilnadu feed makers.



## DOMESTIC MAIZE OUTLOOK:

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

### INTERNATIONAL MARKET HIGHLIGHT:

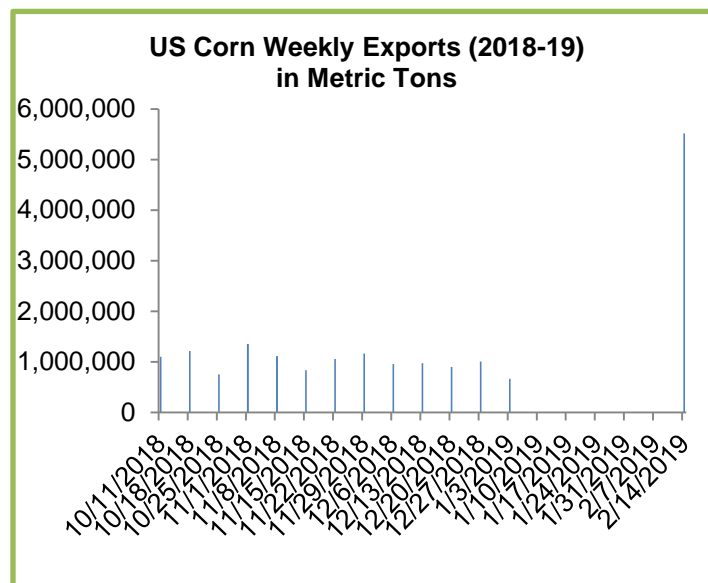
As per USDA, U.S corn exports reached 24.78 MMT in the 2018-19 marketing year. At 5.52 MMT (for the period 4th January-14th February, 2019) US corn exports were for the destinations like Japan (1,676,600 MT), Mexico (1,648,400 MT), Peru (596,600 MT), Colombia (585,900 MT), and South Korea (201,100 MT).

IGC increased its forecast for 2018/19 global corn production by 33 MMT to 1109 MMT compared to previous month forecast; driven by upward revision for China' crop. Forecast for global corn ending stock was also up by 26 MMT to 297 MMT compared to last forecast for 2018/19. IGC said this report incorporates adjustments to supply and demand to reflect previously announced revisions to official production estimates for China, with the biggest changes for corn.

As per USDA' report, U.S farmers are likely to plant 92.0 million acres of corn during the spring season compared to 89.1 million last year.

### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 0.30 USD/MT to 147.83 USD/MT for Mar'19 contract compared to last week by observing development in the U.S.-Chinese trade discussion.



### DAVANGERE MARKET ANALYSIS: MAIZE



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

### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	21-Feb-19	14-Feb-19	21-Jan-19	21-Feb-18	21-Feb-17
Naugachia	Bilty	2030	2075	2000	NA	1500
Delhi	Hybrid Maize (U.P.)	2150	2200	2000	1350	1580
Davangere	Loose Price	2000	2000	1850	1230	1500
Shimoga	Bilty	2000	2020	NA	1330	1550
Ranebennur	Bilty	2050	2060	1950	1250	1600
Bagalkot	Hybrid/Local	1970	1950	1890	1146	1425
Gadag	Local	1860	1909	1790	1095	1511
Nizamabad	Bilty	2030	2050	1825	1320	1480
Khanna	Bilty	2200	2270	2100	1400	1600
Sangli	Feed	2161	NA	2004	NA	1537
Ahmedabad	Feed	2250	2200	2000	1370	1540
	Starch	2200	2100	1980	1360	1525

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	21-Feb-19	14-Feb-19	Change
Corn CBOT Prices	Mar-19	147.83	147.53	0.30
	May-19	151.27	150.78	0.49
	Jul-19	154.42	153.83	0.59
	Sep-19	156.00	155.11	0.89
	Dec-19	158.16	157.18	0.98

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