



# **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 arrival could limit the firmness.

In Telangana, expectation of new crop in coming days 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. In Karnataka region, new crop from Haveri and Ranebennur region has just started contains moisture up to 20%.

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 soon.

### **RECOMMENDATION:**

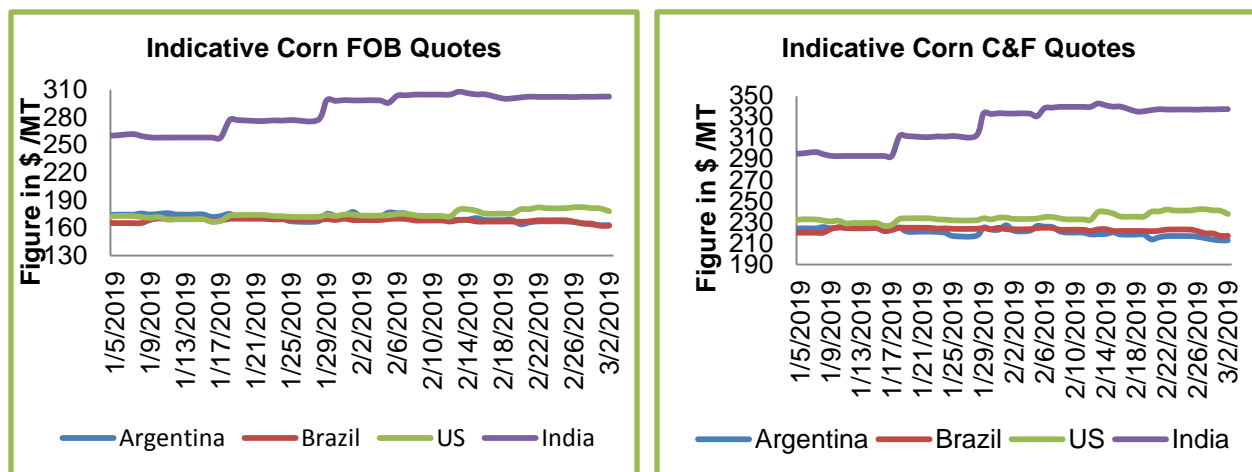
Weekly Call - : Market participants are advised to wait in Maize as there is no trade volume in maize future market. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1850-1900 per quintal for the week.

### **INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT fall by 5.32 USD/MT to 142.51 USD/MT for Mar'19 contract compared to last week.

At 0.77 MMT (for the period 15th Feb- 21st Feb, 2019) US corn exports were for the destinations like Japan (94,700 MT) and Mexico (23,500 MT). Exports of 769,100 MT were primarily to Mexico (292,200 MT), Japan (114,600 MT), Peru (95,600 MT), Colombia (88,100 MT), and South Korea (69,600 MT).

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 70.97)				
As on 01.03.2019	Argentina	Brazil	US	India
FOB	162.89	162.30	181.15	302.56
C&F	212.89	217.30	241.15	337.56

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. 2100 per quintal. Meanwhile, maize is moving towards Bangalore and Namakkal at Rs. 2000 per quintal each, Chitradurga at Rs. 1900 per quintal, Chennai at Rs. 2200 per quintal, Sangali at Rs. 2100 per quintal and Ranebennur at Rs. 1950 per quintal (Delivered price); sourced from Davangere. In Bihar, maize is moving towards Kolkata at Rs. 2050 per quintal.

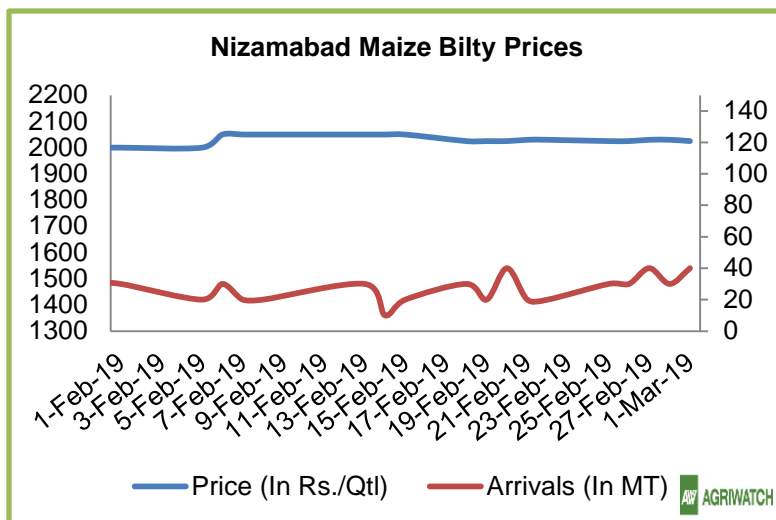
## CURRENT MARKET DYNAMICS:

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

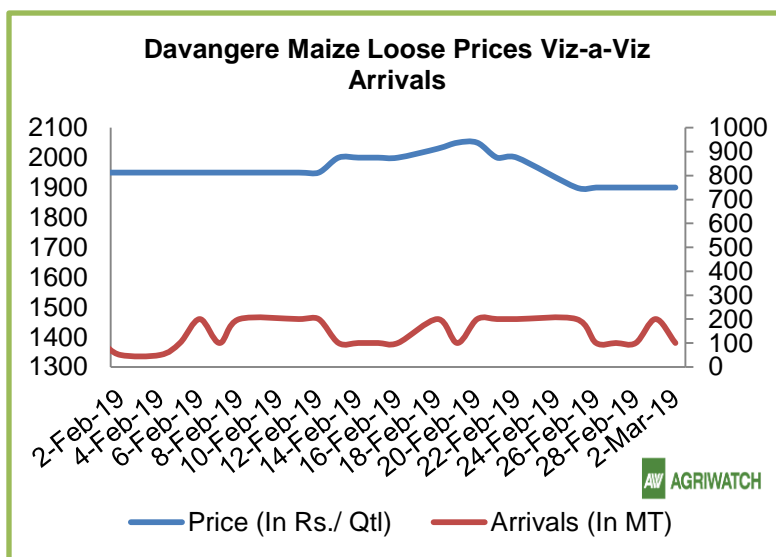
worm. Trade sources revealed that in Nizamabad, around 10-20% crop is affected by fall army worm. Expectation of new crop in coming days and stock released by Telangana government could limit the firmness.



### KARNATAKA:

- In Karnataka region, new crop from Haveri and Ranebennur region has just started contains moisture up to 20%.
- In Davangere region of Karnataka, maize is moving towards Bangalore and Namakkal at Rs. 2000 per quintal each, Chitradurga at Rs. 1900 per quintal, Chennai at Rs. 2200 per quintal, Sangali at Rs. 2100 per

quintal and Ranebennur at Rs. 1950 per quintal (Delivered price); sourced from Davangere. Maize is likely to trade steady to slightly weak due to sluggish demand of Tamilnadu feed makers.

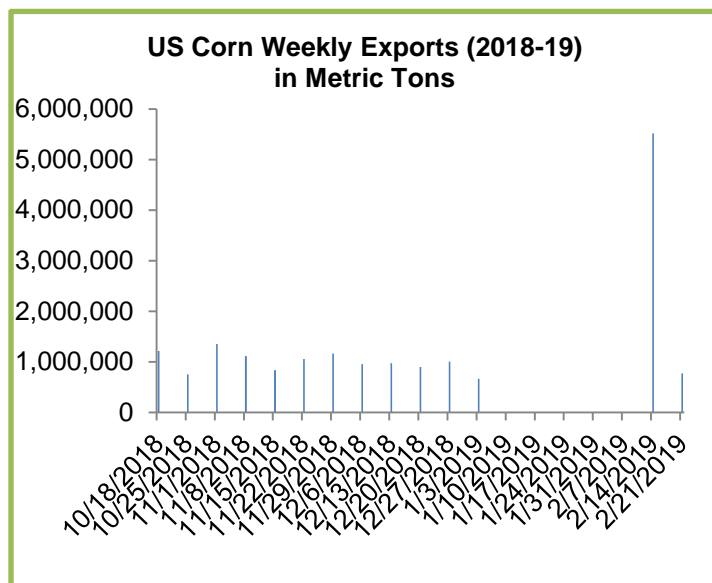


## DOMESTIC MAIZE OUTLOOK:

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 25.53 MMT in the 2018-19 marketing year. At 0.77 MMT (for the period 15th Feb- 21st Feb, 2019) US corn exports were for the destinations like Japan (94,700 MT) and Mexico (23,500 MT). Exports of 769,100 MT were primarily to Mexico (292,200 MT), Japan (114,600 MT), Peru (95,600 MT), Colombia (88,100 MT), and South Korea (69,600 MT).


**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT fall by 5.32 USD/MT to 142.51 USD/MT for Mar'19 contract compared to last week. Further, price direction depends on the demand for U.S corn.

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1850-1900 per quintal for the week.

### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	28-Feb-19	21-Feb-19	28-Jan-19	28-Feb-18	28-Feb-17
Naugachia	Bilty	1925	2030	2125	NA	1475
Delhi	Hybrid Maize (U.P.)	2200	2150	2100	1350	1580
Davangere	Loose Price	1900	2000	1950	1230	1500
Shimoga	Bilty	1900	2000	1950	1330	1550
Ranebennur	Bilty	1950	2050	1900	1200	1555
Bagalkot	Hybrid/Local	1900	1970	1906	1136	1446
Gadag	Local	1910	1860	NA	1089	1473
Nizamabad	Bilty	2030	2030	1875	1320	1470
Khanna	Bilty	2190	2200	2080	1400	1620
Sangli	Feed	2055	2161	2012	NA	1540
Ahmedabad	Feed	2090	2250	2050	1350	1520
	Starch	2100	2200	2000	1350	1530

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	28-Feb-19	21-Feb-19	Change
Corn CBOT Prices	Mar-19	142.51	147.83	-5.32
	May-19	145.96	151.27	-5.31
	Jul-19	149.40	154.42	-5.02
	Sep-19	151.67	156	-4.33
	Dec-19	154.32	158.16	-3.84

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