



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, new crop arrival could limit the firmness.

In Nizamabad region, new crop arrival has just started which are lower in quantity and contains moisture up to 18% while in Karnataka region, new crop from Haveri and Ranabennur region 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.

ALL INDIA RABI CROP PRODUCTION

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. All India Rabi maize production is estimated by Agriwatch at 5.67 MMT for the year 2018/19.

RECOMMENDATION:

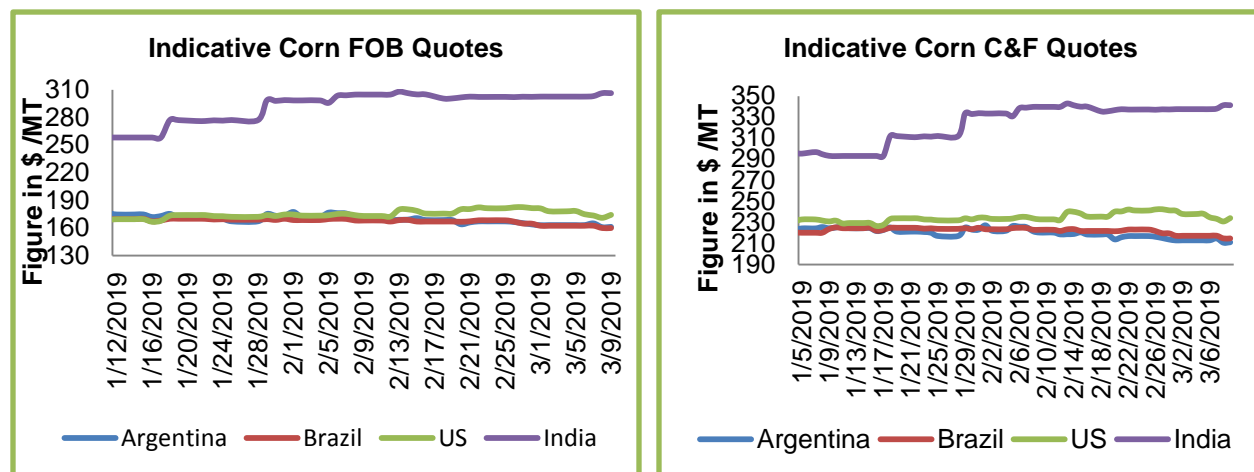
Weekly Call - : Market participants are advised to go long in Maize for May contract near 1738 levels for a target of 1758 and 1768 with a stop loss at 1726 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1950-2000 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 2.85 USD/MT to 139.66 USD/MT for Mar'19 contract compared to last week due to low export demand for U.S corn.

U.S corn exports reached 26.27 MMT in the 2018-19 marketing year. At 0.74 MMT (for the period 22nd Feb- 28th Feb, 2019) US corn exports were down 3.26% compared to previous week; mainly for the destinations like Mexico (186,800 MT), Japan (154,100 MT), South Korea (133,200 MT), Colombia (82,100 MT), and Honduras (48,000 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 70.00)				
As on 09.03.2019	Argentina	Brazil	US	India
FOB	161.12	159.80	174.10	306.31
C&F	211.12	214.80	234.10	341.31

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

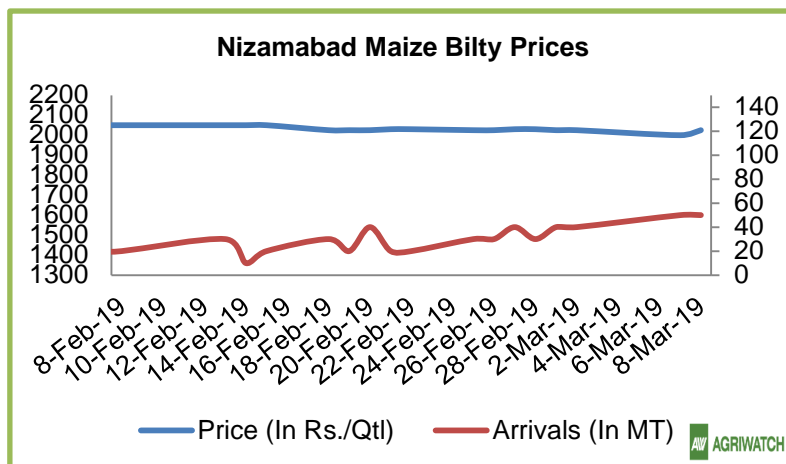
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 2150 per quintal. Meanwhile, maize is moving towards Bengaluru and Namakkal at Rs. 2150 per quintal each, Chitradurga at Rs. 1900 per quintal, Chennai at Rs. 2200 per quintal, Sangali at Rs. 2150 per quintal and Ranebennur at Rs. 1950 per quintal (Delivered price); sourced from Davangere. In Bihar, maize is moving towards Kolkata at Rs. 2080 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:

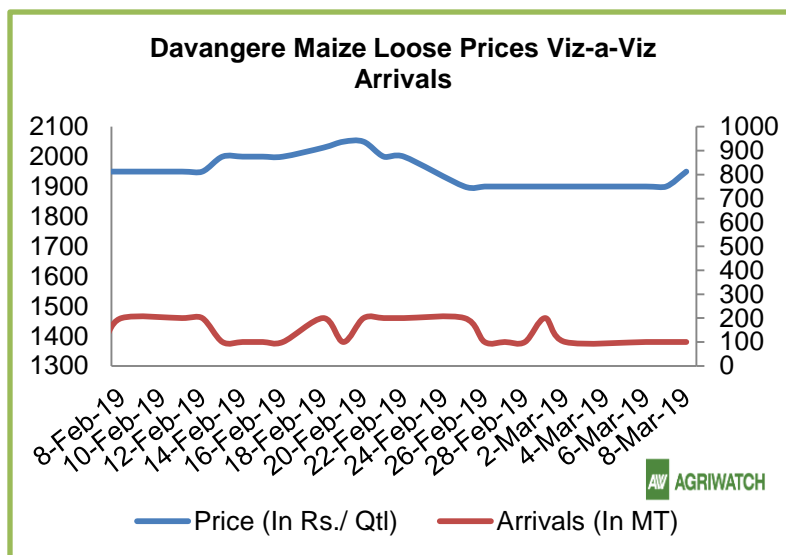
TELANGANA:

- In Nizamabad region, new crop arrival has just started which are lower in quantity and contains moisture up to 18%.
- In Nizamabad, around 10-20% crop is affected by fall army worm. Maize is moving to Hyderabad at Rs. 2150 per quintal.



KARNATAKA:

- In Karnataka region, new crop from Haveri and Ranebennur region has just started contains moisture up to 20%. Maize is likely to trade steady to slightly firm in near term due to demand of Tamilnadu and Bengaluru feed makers.
- In Davangere region of Karnataka, maize is moving towards Bengaluru and Namakkal at Rs. 2150 per quintal each, Chitradurga at Rs. 1900 per quintal, Chennai at Rs. 2200 per quintal, Sangali at Rs. 2150 per quintal and Ranebennur at Rs. 1950 per quintal (Delivered price); sourced from Davangere.

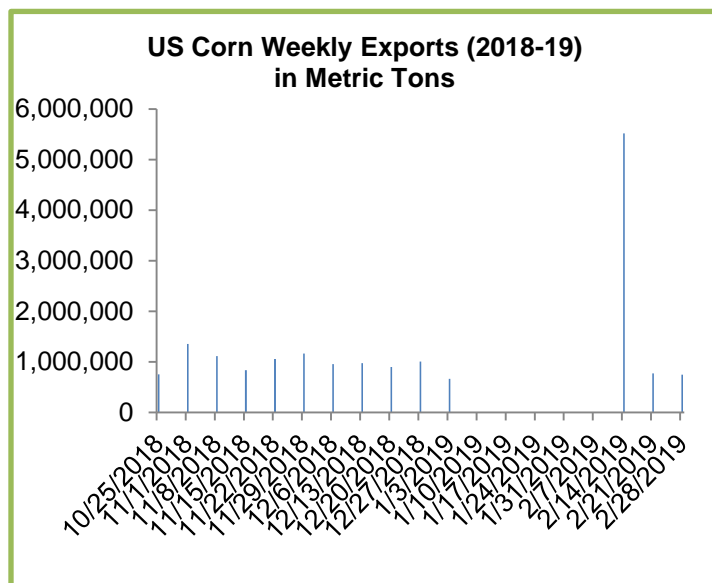


DOMESTIC MAIZE OUTLOOK:

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 26.27 MMT in the 2018-19 marketing year. At 0.74 MMT (for the period 22nd Feb-28th Feb, 2019) US corn exports were down 3.26% compared to previous week; mainly for the destinations like Mexico (186,800 MT), Japan (154,100 MT), South Korea (133,200 MT), Colombia (82,100 MT), and Honduras (48,000 MT).


INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 2.85 USD/MT to 139.66 USD/MT for Mar'19 contract compared to last week due to low export demand for U.S corn. Further, price direction depends on the demand for U.S corn.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(May Contract Weekly Chart)

- Candlestick depicts firm situation in the market.
- Increase in prices with higher volume and OI indicates to long build up.
- Strategy: Buy near 1738 for target 1758 and 1768 in the near term.

Strategy: Buy
Maize NCDEX (May)

Support & Resistance				
S2	S1	PCP	R1	R2
1512	1623	1735	1793	1851

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	7-Mar-19	28-Feb-19	7-Feb-19	7-Mar-18	7-Mar-17
Naugachia	Bilty	1925	1925	2125	NA	1325
Delhi	Hybrid Maize (U.P.)	2125	2200	2200	1360	1580
Davangere	Loose Price	1900	1900	1950	1230	1500
Shimoga	Bilty	2030	1900	1990	1330	1550
Ranebennur	Bilty	NA	1950	1925	1200	1560
Bagalkot	Hybrid/Local	1921	1900	1946	1180	1455
Gadag	Local	1871	1910	1950	1071	1482
Nizamabad	Bilty	2000	2030	2050	NA	1470
Khanna	Bilty	2100	2190	2230	1405	1650
Sangli	Feed	2130	2055	2145	NA	1545
Ahmedabad	Feed	2100	2090	2275	1350	1550
	Starch	2050	2100	2250	1360	1550

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	07-Mar-19	28-Feb-19	Change
Corn CBOT Prices	Mar-19	139.66	142.51	-2.85
	May-19	143.4	145.96	-2.56
	Jul-19	147.04	149.40	-2.36
	Sep-19	149.7	151.67	-1.97
	Dec-19	152.95	154.32	-1.37

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