

# Maize Weekly Research Report

## Contents

- ❖ Executive Summary
- ❖ All India Rabi Crop Production
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ Export Parity Trend
- ❖ Trade Scenario
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Futures Market Analysis: NCDEX MAIZE
- ❖ Davangere Market Analysis
- ❖ Annexure

## **EXECUTIVE SUMMARY**

### **DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded steady to slightly firm during the week and are likely to trade steady to range bound in the near term. At one side, scarcity of goods amid high feed makers demand could keep firmness intact while on the other sides, new crop arrival could slightly limit the firmness.

In Nizamabad region, maize is likely to trade steady to range bound in the near term despite new crop arrival pressure as demand of Hyderabad and Pune feed makers supporting to the market. As per trade source, in Godavari district, new crop quality is good and being delivered to Vijayawada at Rs. 1930-1950 per quintal while in Tenali district of A.P, crop arrivals are likely to start soon.

As per trade sources, India exported 16,114 MT of maize for the month of February'19 at an average FoB of \$301.69/ MT. Indian maize is exported mainly to Nepal mainly through Jogbani ICD followed by Raxaul and Sonauli ICD 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:**

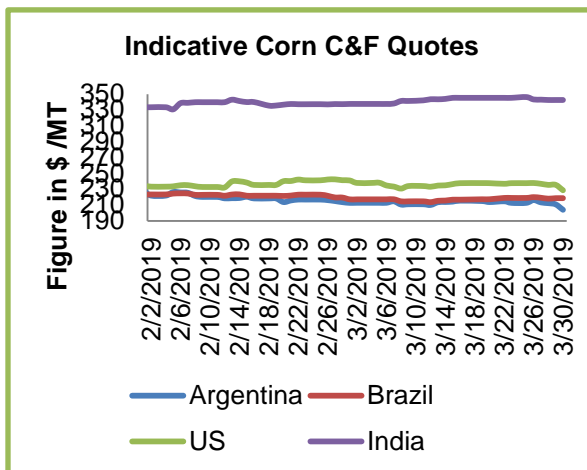
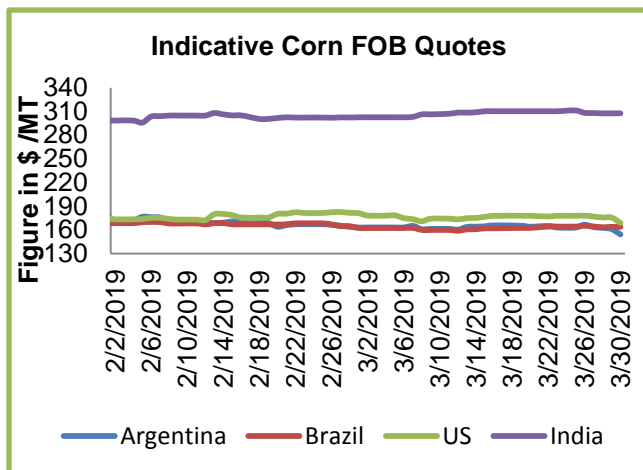
Weekly Call - : Market participants are advised to buy in Maize for May contract near 1763 level for a target of 1773 and 1778 with a stop loss at 1757 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1950-2040 per quintal for the week.

### **INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT fall by 0.88 USD/MT to 147.24 USD/MT for May'19 contract compared to last week as USDA estimated U.S. stocks and spring plantings above than trade expectations.

U.S corn exports reached 28.78 MMT in the 2018-19 marketing year. At 0.96 MMT (for the period 15th Mar- 21st Mar, 2019) US corn exports were up 26 percent from the previous week and 25 percent from the previous 4-week average mainly for the destinations like; Mexico (234,500 MT), Japan (190,900 MT), South Korea (133,100 MT), Colombia (102,600 MT), and the Dominican Republic (72,500 MT).

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.44)				
As on 23.03.2019	Argentina	Brazil	US	India
<b>FOB</b>	154.13	163.80	168.73	307.54
<b>C&amp;F</b>	204.13	218.80	228.73	342.54

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

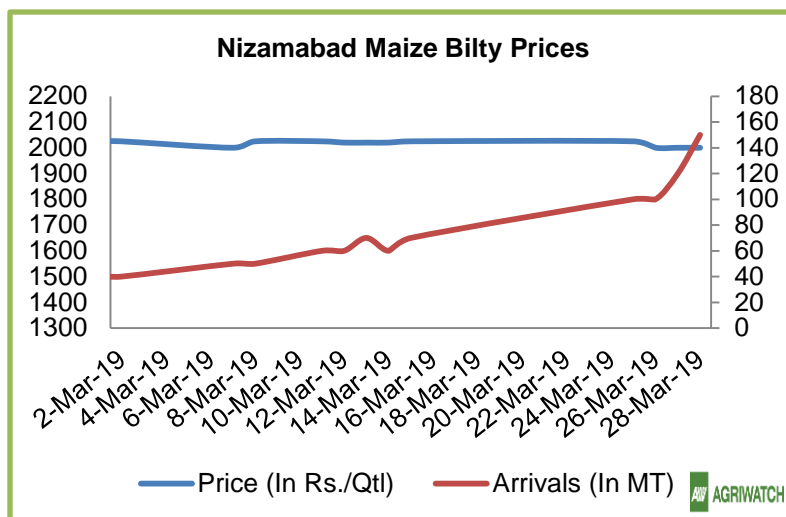
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 2125-2150 per quintal. Meanwhile, maize is moving towards Bengaluru at Rs. 2170 per quintal, Namakkalat Rs. 2200 per quintal, Chitradurga at Rs. 2100 per quintal, Chennai at Rs. 2200 per quintal, Sangali at Rs. 2100 per quintal and Ranebennur at Rs. 2050 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, steady to slightly firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

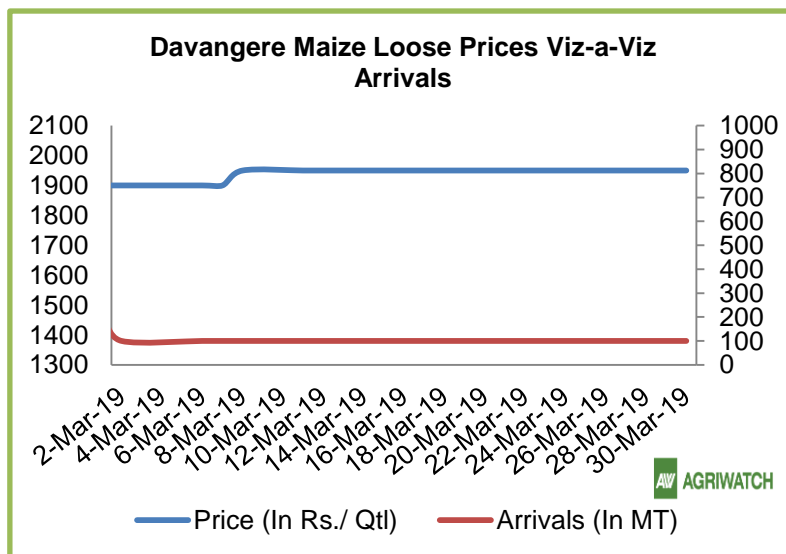
### TELANGANA:

- In Nizamabad region, maize is likely to trade steady to range bound in the near term despite new crop arrival pressure as demand of Hyderabad and Pune feed makers supporting to the market. As per trade source, in Godavari district, new crop quality is good and being delivered to Vijayawada at Rs. 1930-1950 per quintal while in Tenali district of A.P, crop arrivals are likely to start soon.



### KARNATAKA:

- In Karnataka region, Despite the new crop arrivals from Haveri and Ranebennur region; 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 at Rs. 2170 per quintal, Namakkal at Rs. 2200 per quintal, Chitradurga at Rs. 2100 per quintal, Chennai at Rs. 2200 per quintal, Sangali at Rs. 2100 per quintal and Ranebennur at Rs. 2050 per quintal (Delivered price); sourced from Davangere.



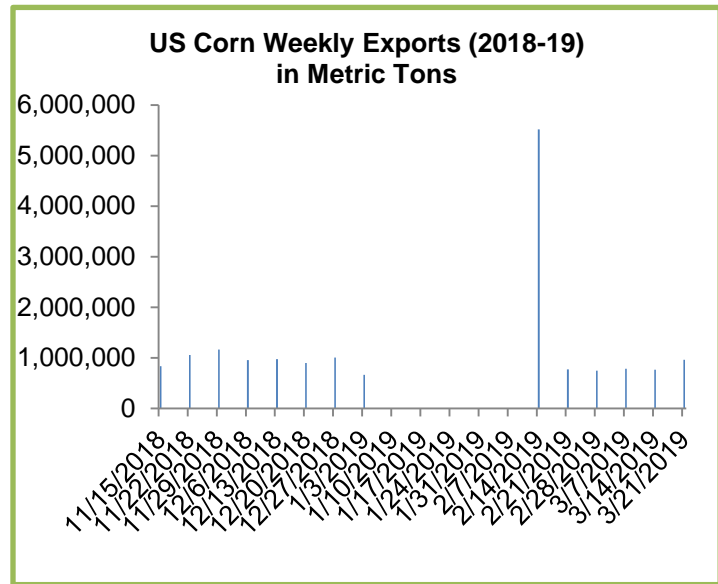
## DOMESTIC MAIZE OUTLOOK:

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 28.78 MMT in the 2018-19 marketing year. At 0.96 MMT (for the period 15th Mar- 21st Mar, 2019) US corn exports were up 26 percent from the previous week and 25 percent from the previous 4-week average mainly for the destinations like; Mexico (234,500 MT), Japan (190,900 MT), South Korea (133,100 MT), Colombia (102,600 MT), and the Dominican Republic (72,500 MT).

IGC increased its global corn production forecast for 2019/20 by 10 MMT to 1124 MMT compared to previous year; driven by upward projection for United States, China and Brazil partially offset by declines in the European Union and Ukraine. However, forecast for global corn ending stock was down by 39 MMT to 266 MMT compared to 2018/19 on the expectation of record demand.



**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(May Contract Weekly Chart)**

- Candlestick depicts range bound situation in the market.
- Prices closed above 9 days EMAs indicates to firmness.
- However, Decrease in prices with higher OI indicates to short build up.
- Strategy: Buy near 1763 for target 1773 and 1778 in the near term.

**Strategy: Buy on dip**

**Maize NCDEX (May)**

Support & Resistance				
S2	S1	PCP	R1	R2
1736	1753	1769	1792	1816

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1950-2040 per quintal for the week.

### ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	28-Mar-19	22-Mar-19	28-Feb-19	28-Mar-18	28-Mar-17
Naugachia	Bilty	2025	1925	1925	NA	1375
Delhi	Hybrid Maize (U.P.)	2250	2200	2200	1400	1550
Davangere	Loose Price	1950	1950	1900	1250	1500
Shimoga	Bilty	NA	NA	1900	NA	1540
Ranebennur	Bilty	2030	2100	1950	NA	1650
Bagalkot	Hybrid/Local	1956	NA	1900	1100	1472
Gadag	Local	1932	1920	1910	1045	1622
Nizamabad	Bilty	2000	Closed	2030	NA	1450
Khanna	Bilty	2260	2200	2190	1430	1630
Sangli	Feed	2119	2130	2055	NA	1545
Ahmedabad	Feed	Closed	Closed	2090	1320	1550
	Starch	Closed	Closed	2100	1370	1550

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	28-Mar-19	21-Mar-19	Change
Corn CBOT Prices	May-19	147.24	148.12	-0.88
	Jul-19	151.08	151.76	-0.68
	Sep-19	153.93	154.23	-0.30
	Dec-19	156.78	156.98	-0.20
	Mar-20	160.82	161.02	-0.20

**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 Agribusiness Systems Ltd.