

Maize Weekly Research Report

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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.

DGFT has allowed 1 lakh ton maize import on 15% duty for actual users. There would be no import for trade purpose right now. Notably, feed industries were allowed to import 5 lakh MT under TRQ. As per Indian import policy, India can import only non GMO maize so options to import corn from other countries like (Europe, Ukraine and Russia) are limited. As per current Ukraine FOB that is around 174-175\$ / MT; maize to south India could be delivered at around Rs. 18,200 / MT.

Although import quantity of maize is less but market could react on this. Also, arrival of rabi crop could also put little bit pressure but despite the import and new crop arrival; maize prices would not fall drastically during the month of April'19 and trade above MSP due to domestic feed makers demand.

ALL INDIA RABI CROP PRODUCTION

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

RECOMMENDATION:

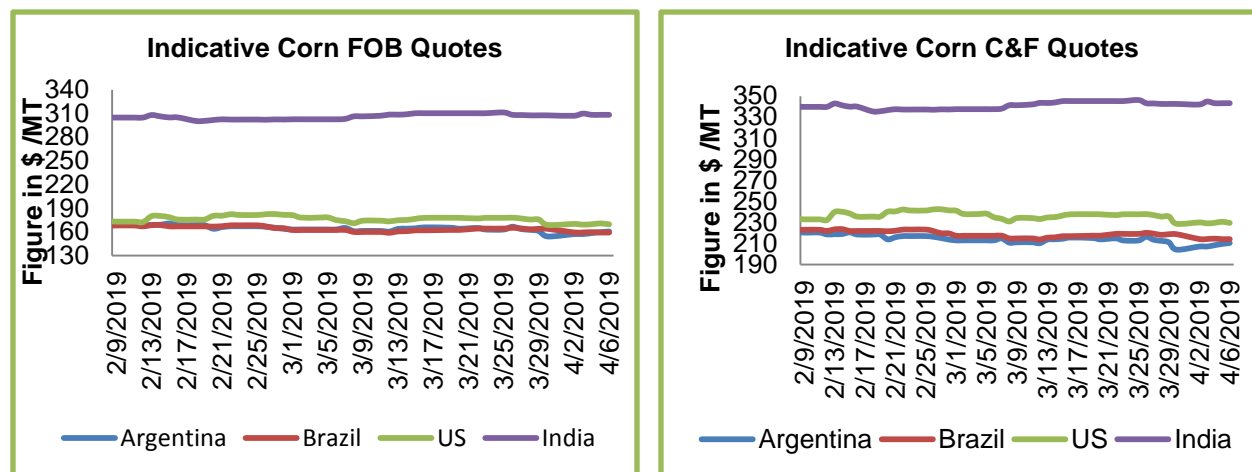
Weekly Call - : Market participants are advised to buy in Maize for May contract near 1890 level for a target of 1926 and 1944 with a stop loss at 1869 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1970-2040 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 3.45 USD/MT to 143.79 USD/MT for May'19 contract compared to last week. Further, price direction depends on demand for U.S corn which is expected to be lower due to high competition from South America.

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. 69.21)				
As on 06.04.2019	Argentina	Brazil	US	India
FOB	160.43	159.10	169.50	308.23
C&F	210.43	214.10	229.50	343.23

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

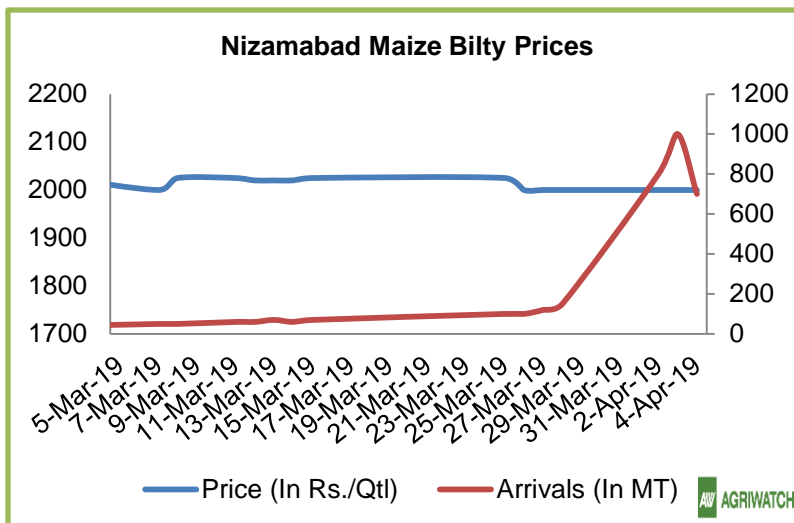
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 2150 per quintal. Meanwhile, maize is moving towards Bengaluru at Rs. 2250 per quintal, Namakkal at Rs. 2300 per quintal, Chitradurga at Rs. 2100 per quintal, Chennai at Rs. 2300 per quintal, Sangali at Rs. 2150 per quintal and Ranebennur at Rs. 2100 per quintal (Delivered price); sourced from Davangere. In Gulabgh region of Bihar, new maize arrival contains moisture up to 16% and is trading at Rs.2100-2150 per quintal. Forward contract has been made at Rs.2100-2300 per quintal for Gujarat. Punjab and U.P feed makers are also demanding for Bihar corn. As per trade source, in Godavari district, new crop quality is good and being delivered to Vijayawada at Rs. 1930-1950 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:

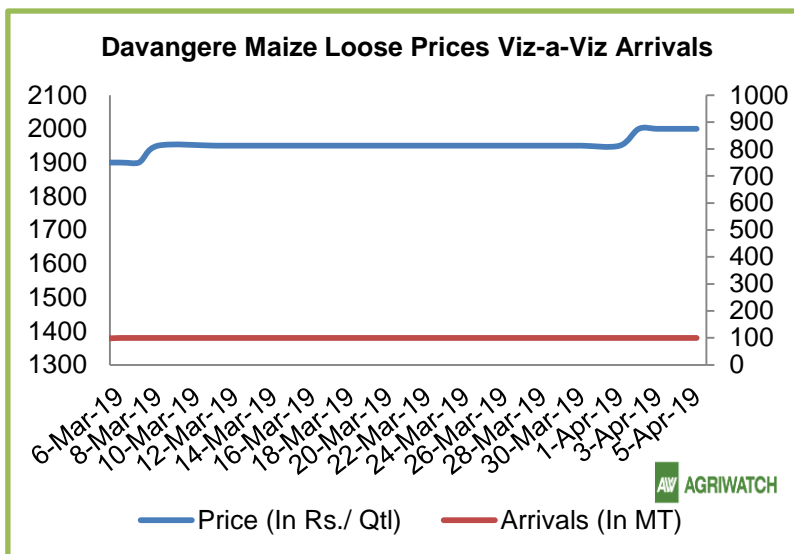
TELANGANA:

- 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 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. 2250 per quintal, Namakkal at Rs. 2300 per quintal, Chitradurga at Rs. 2100 per quintal, Chennai at Rs. 2300 per quintal, Sangali at Rs. 2150 per quintal and Ranebennur at Rs. 2100 per quintal (Delivered price); sourced from Davangere.

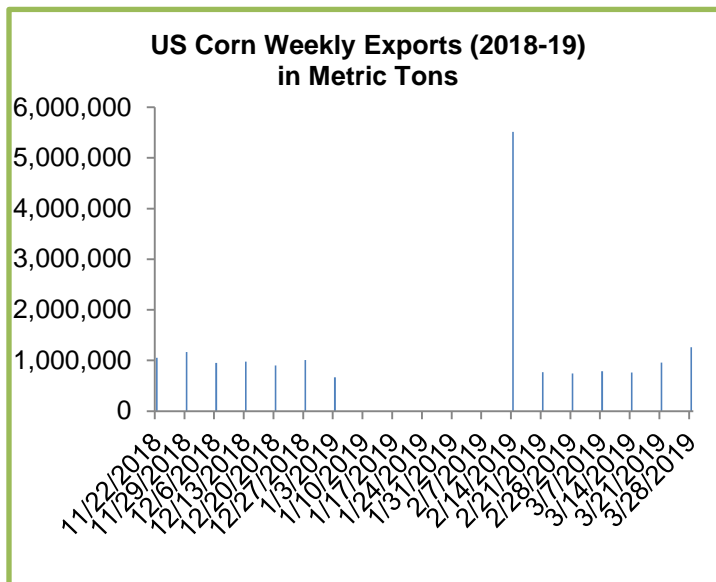


DOMESTIC MAIZE OUTLOOK:

Prices of standard quality maize are likely to be steady to range bound in the near term despite expectation of new crop arrival and import relaxation.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 30.04 MMT in the 2018-19 marketing year. At 1.26 MMT (for the period 22nd Mar- 28th Mar, 2019) US corn exports were up 32 percent from the previous week and 55 percent from the previous 4-week average; mainly for the destination like Mexico (397,000 MT), Japan (180,400 MT), Colombia (163,700 MT), Peru (145,600 MT), and South Korea (72,500 MT).



FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(May Contract Weekly Chart)

- Candlestick depicts firm situation in the market.
- Prices closed above 9 days EMAs indicates to firmness.
- Increase in prices with higher volume and OI indicates to long build up.
- Strategy: Buy near 1890 for target 1926 and 1944 in the near term.

Strategy: Buy on dip
Maize NCDEX (May)

Support & Resistance				
S2	S1	PCP	R1	R2
1717	1808	1900	1948	1996

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	4-Apr-19	28-Mar-19	4-Mar-19	4-Apr-18	4-Apr-17
Gulabbagh	Bilty	2150	NA	NA	1350	1400
Delhi	Hybrid Maize (U.P.)	2300	2250	2100	1450	Closed
Davangere	Loose Price	Closed	1950	Closed	1250	1520
Shimoga	Bilty	2040	NA	2020	NA	1540
Ranebennur	Bilty	2100	2030	1950	1190	1590
Bagalkot	Hybrid/Local	NA	1956	1936	1141	1486
Gadag	Local	1980	1932	1868	1105	1531
Nizamabad	Bilty	2000	2000	Closed	NA	NA
Khanna	Bilty	2250	2260	2105	1530	1620
Sangli	Feed	2233	2119	2100	0	1550
Ahmedabad	Feed	2320	2200	2070	1325	1540
	Starch	2340	2275	2000	1380	1540

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	04-Apr-19	28-Mar-19	Change
Corn CBOT Prices	May-19	143.79	147.24	-3.45
	Jul-19	147.34	151.08	-3.74
	Sep-19	150.58	153.93	-3.35
	Dec-19	154.42	156.78	-2.36
	Mar-20	159.84	160.82	-0.98

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