



Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded firm during the week and are likely to trade steady to range bound in the near term. 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.

In Nizamabad region, it 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. In Davangere, maize is likely to trade steady to slightly firm in near term due to demand of Tamilnadu and Bengaluru feed makers.

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 June contract near 1895 level for a target of 1915 and 1925 with a stop loss at 1883 on closing basis. In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2180-2260 per quintal for the week.

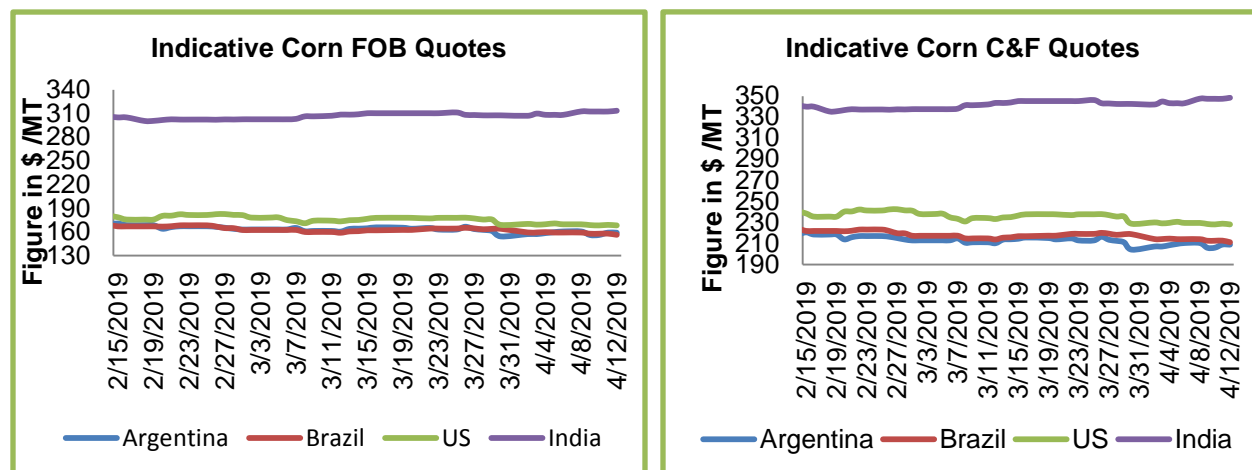
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 2.06 USD/MT to 141.73 USD/MT for May'19 contract compared to last week due to high ending stock estimates for U.S by 5.08 MMT to 51.70 MMT for 2018/19. 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 31.02 MMT in the 2018-19 marketing year. At 0.98 MMT (for the period 29th Mar- 04th Apr, 2019) US corn exports were down 22 percent from the previous week, but up 4 percent from the previous 4-week average; mainly for the destination like Mexico (264,000 MT), South Korea (206,000 MT), Saudi Arabia (158,600 MT), Japan (123,900 MT), and Colombia (88,100 MT).

USDA increased its world corn ending stock estimates by 5.49 MMT to 314.01 MMT for 2018/19 compared to last month forecast due to increase in production estimates for 2018/19.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.32)				
As on 12.04.2019	Argentina	Brazil	US	India
FOB	158.86	156.20	168.10	313.40
C&F	208.86	211.20	228.10	348.40

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

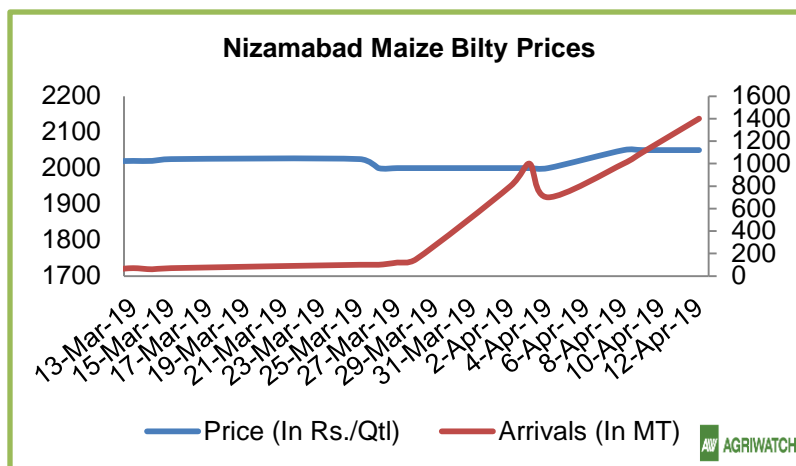
From the trade point of view, Maize is moving towards Bengaluru at Rs. 2380-2440 per quintal, Namakkal at Rs. 2400 per quintal, Chitradurga at Rs. 2200 per quintal, Chennai at Rs. 2400 per quintal, Sangali at Rs. 2200 per quintal and Ranebennur at Rs. 2150 per quintal (Delivered price); sourced from Davangere. In Gulabghat region of Bihar, Forward contract has been made at Rs.2050 per quintal for Gujarat and Rs. 1950 per quintal for South India for the month of May. Punjab and U.P feed makers are also demanding for Bihar corn.

CURRENT MARKET DYNAMICS:

During the week under review, firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

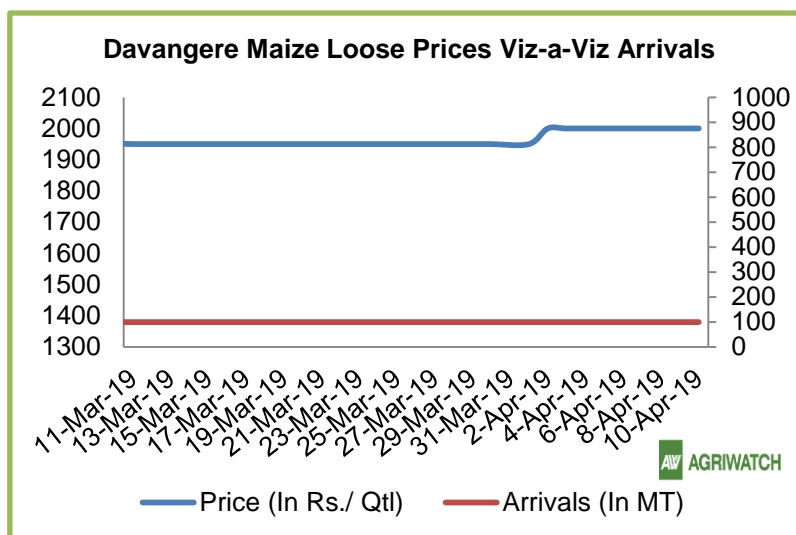
TELANGANA:

- 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.



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. 2380-2440 per quintal, Namakkal at Rs. 2400 per quintal, Chitradurga at Rs. 2200 per quintal, Chennai at Rs. 2400 per quintal, Sangali at Rs. 2200 per quintal and Ranebennur at Rs. 2150 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:

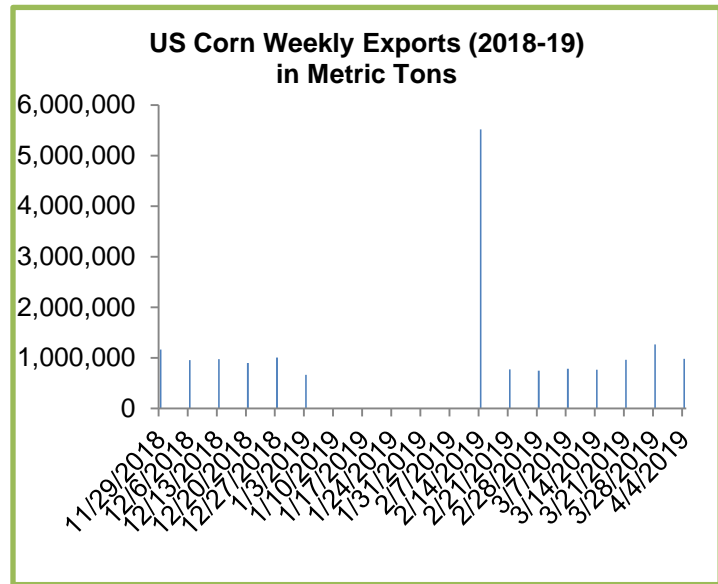
As per USDA, U.S corn exports reached 31.02 MMT in the 2018-19 marketing year. At 0.98 MMT (for the period 29th Mar- 04th Apr, 2019) US corn exports were down 22 percent from the previous week, but up 4 percent from the previous 4-week average; mainly for the destination like Mexico (264,000 MT), South Korea (206,000 MT), Saudi Arabia (158,600 MT), Japan (123,900 MT), and Colombia (88,100 MT).

USDA increased its world corn ending stock estimates by 5.49 MMT to 314.01 MMT for 2018/19 compared to last month forecast due to increase in production estimates for 2018/19.

It also increased its corn ending stock estimates for U.S by 5.08 MMT to 51.70 MMT for 2018/19 compared to last month forecast as it decreased its consumption and export estimates for 2018/19.

In U.S corn planting has started that is 2% as of 7th Apr, 2019, same compared to last year and last 5 year average period.

Black Sea corn was again purchased at about \$191 to \$193 per tonne c&f for October/November shipment to East Asia/South East Asia.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 2.06 USD/MT to 141.73 USD/MT for May'19 contract compared to last week due to high ending stock estimates for U.S by 5.08 MMT to 51.70 MMT for 2018/19. Further, price direction depends on demand for U.S corn which is expected to be lower due to high competition from South America.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(June Contract Weekly Chart)

- Candlestick depicts firm situation in the market.
- Increase in prices with higher OI indicates to long build up.
- However, volumes are not supporting to the market.
- Strategy: Buy near 1895 for target 1915 and 1925 in the near term.

Strategy: Buy on dip

Maize NCDEX (June)

Support & Resistance				
S2	S1	PCP	R1	R2
1855	1880	1905	1926	1935

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (Bilty) prices are likely to trade at Rs.2180-2260 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	11-Apr-19	4-Apr-19	11-Mar-19	11-Apr-18	11-Apr-17
Gulabbagh	Bilty	2400	2150	NA	1350	1350
Delhi	Hybrid Maize (U.P.)	2300	2300	2150	1450	1500
Davangere	Loose Price	NA	Closed	1950	1250	1520
Shimoga	Bilty	2230	2040	2020	1400	1540
Ranebennur	Bilty	2150	2100	2050	1195	1610
Bagalkot	Hybrid/Local	2226	NA	1962	1172	1496
Gadag	Local	NA	1980	1843	1150	1519
Nizamabad	Bilty	Closed	2000	2025	1340	NA
Khanna	Bilty	2300	2250	NA	1530	1620
Sangli	Feed	2377	2233	2148	NA	1550
Ahmedabad	Feed	2400	2320	2200	1350	1515
	Starch	2400	2340	2000	1390	1540

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	11-Apr-19	04-Apr-19	Change
Corn CBOT Prices	May-19	141.73	143.79	-2.06
	Jul-19	145.17	147.34	-2.17
	Sep-19	148.32	150.58	-2.26
	Dec-19	152.95	154.42	-1.47
	Mar-20	158.36	159.84	-1.48

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