

# 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 firm during the week and are likely to trade steady to slightly weak in the near term due to new crop arrival pressure. However, prices would not fall drastically 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.

As per trade sources, India exported 13,610 MT of maize for the month of March'19 at an average FOB of \$310.23/ MT. Indian maize is exported mainly to Nepal mainly through Raxaul followed by Jogbani ICD and Bhimnagar ICD port.

**ALL INDIA RABI CROP PRODUCTION**

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

**RECOMMENDATION:**

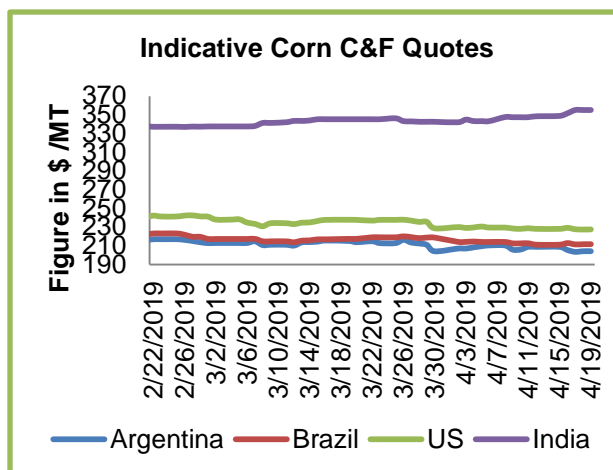
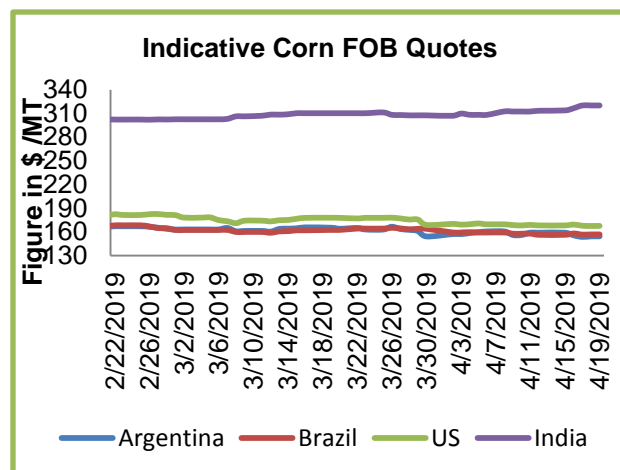
Weekly Call - : Market participants are advised to sell in Maize for May contract near 1948 level for a target of 1928 and 1918 with a stop loss at 1960 on closing basis. In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2250-2300 per quintal for the week.

**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT fall by 0.59 USD/MT to 141.14 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 32.25 MMT in the 2018-19 marketing year. At 1.22 MMT (for the period 05th Apr- 11th Apr, 2019) US corn exports were up 25 percent from the previous week and 23 percent from the previous 4-week average; mainly for the destination like Japan (392,300 MT), Mexico (334,000 MT), Colombia (179,300 MT), South Korea (141,700 MT), and Taiwan (91,600 MT).

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.40)				
As on 19.04.2019	Argentina	Brazil	US	India
FOB	154.23	156.70	167.50	320.09
C&F	204.23	211.70	227.50	355.09

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

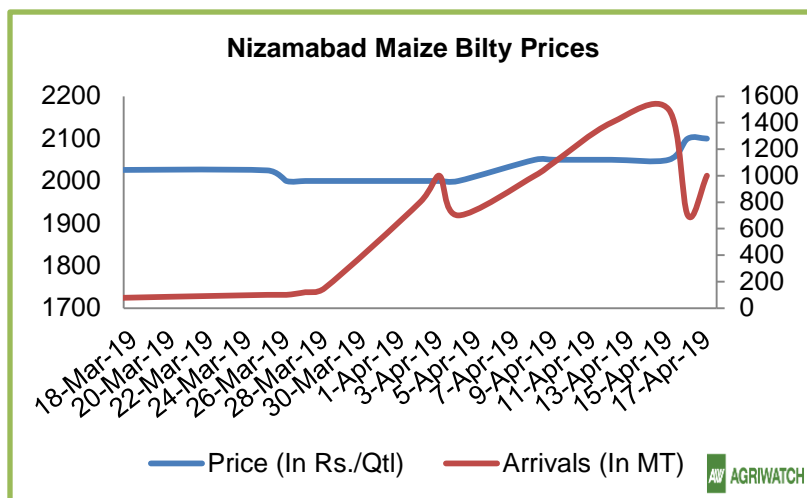
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2200 per quintal and Pune at Rs. 2300 per quintal. Meanwhile, it is moving towards Bengaluru at Rs. 2450 per quintal, Namakkal at Rs. 2500 per quintal, Chitradurga at Rs. 2350 per quintal, Chennai at Rs. 2500 per quintal, Sangali at Rs. 2250 per quintal and Ranabennur at Rs. 2300 per quintal (Delivered price); sourced from Davangere. Maize is moving towards Punjab at Rs. 2150 per quintal and U.P at Rs. 2050 per quintal; sourced from Bihar.

## CURRENT MARKET DYNAMICS:

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

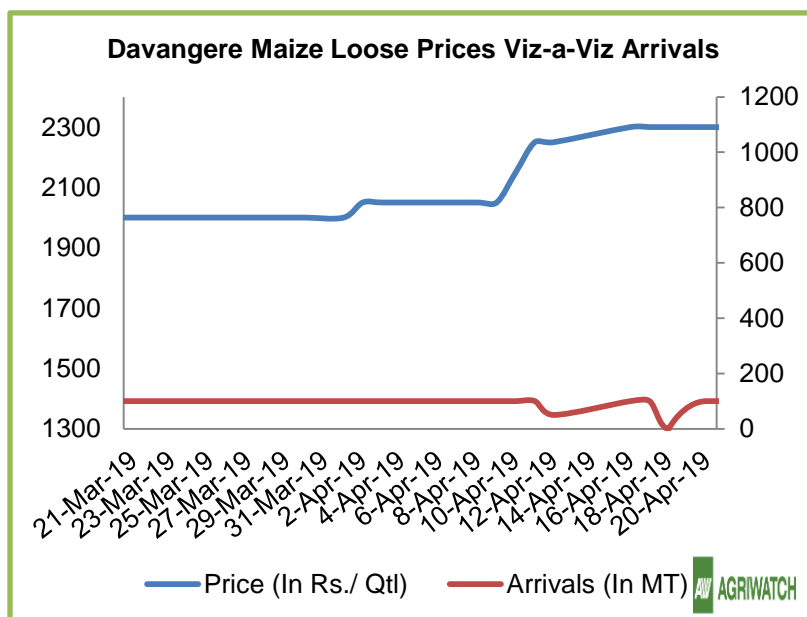
### TELANGANA:

- 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. It is moving towards Hyderabad at Rs. 2200 per quintal and Pune at Rs. 2300 per quintal.



### 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. 2450 per quintal, Namakkal at Rs. 2500 per quintal, Chitradurga at Rs. 2350 per quintal, Chennai at Rs. 2500 per quintal, Sangali at Rs. 2250 per quintal and Ranebennur at Rs. 2300 per quintal (Delivered price); sourced from Davangere.



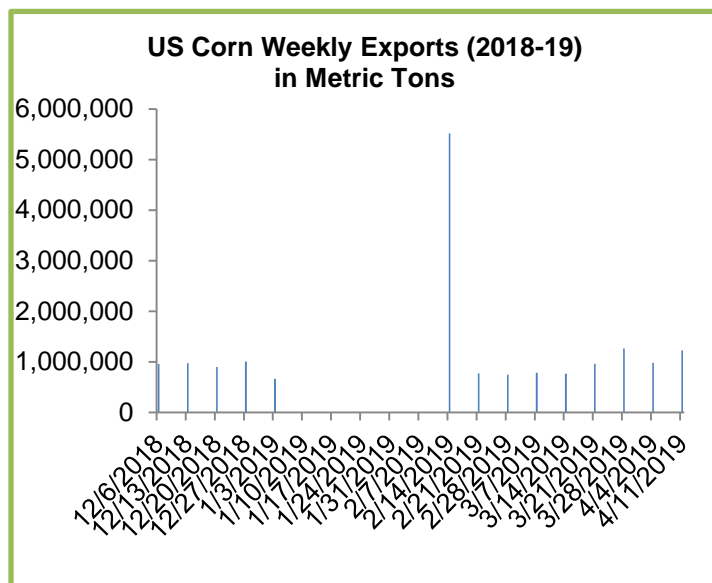
## DOMESTIC MAIZE OUTLOOK:

Prices of standard quality maize are likely to be steady to slightly weak due to new crop arrival pressure.

**INTERNATIONAL MARKET HIGHLIGHT:**

As per USDA, U.S corn exports reached 32.25 MMT in the 2018-19 marketing year. At 1.22 MMT (for the period 05th Apr- 11th Apr, 2019) US corn exports were up 25 percent from the previous week and 23 percent from the previous 4-week average; mainly for the destination like Japan (392,300 MT), Mexico (334,000 MT), Colombia (179,300 MT), South Korea (141,700 MT), and Taiwan (91,600 MT).

The Argentine government estimated its corn production at 55 million tonnes for 2018-19 which is higher than 43.46 million tonnes compared to last season harvest.



**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(May Contract Weekly Chart)**

- Candlestick depicts range bound situation in the market.
- Prices closed above 9 days EMAs.
- Increase in prices with higher OI indicates to long build up.
- Strategy: Sell near 1948 for target 1928 and 1918 in the near term.

**Strategy: Sell**
**Maize NCDEX (May)**

Support & Resistance				
S2	S1	PCP	R1	R2
1887	1913	1940	1953	1966

**DAVANGERE MARKET ANALYSIS: MAIZE**


In Davangere cash market, maize (Bilty) prices are likely to trade at Rs.2250-2300 per quintal for the week.

**ANNEXURE**
**MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)**

Maize(Corn)Weekly Prices:						
Market	Grade	18-Apr-19	11-Apr-19	18-Mar-19	18-Apr-18	18-Apr-17
Gulabghagh	Bilty	Closed	2400	NA	1310	1350
Delhi	Hybrid Maize (U.P.)	2300	2300	2200	1450	1550
Davangere	Bilty Price	2300	2250	2000	1200	1570
Shimoga	Bilty	2320	2230	2030	1420	1540
Ranebennur	Bilty	2300	2150	2080	1160	1555
Bagalkot	Hybrid/Local	NA	2226	1949	1176	1501
Gadag	Local	NA	NA	1920	1089	1545
Nizamabad	Bilty	Closed	Closed	NR	1340	1480
Khanna	Bilty	2380	2300	2210	1625	1600
Sangli	Feed	2398	2377	2150	NA	1553
Ahmedabad	Feed	2450	2400	2170	1360	1525
	Starch	2450	2400	2200	1400	1550

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	18-Apr-19	11-Apr-19	Change
Corn CBOT Prices	May-19	141.14	141.73	-0.59
	Jul-19	144.58	145.17	-0.59
	Sep-19	147.63	148.32	-0.69
	Dec-19	152.06	152.95	-0.89
	Mar-20	157.57	158.36	-0.79

**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.