

# Maize Weekly Research Report

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**EXECUTIVE SUMMARY****DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded weak during the week due to new crop arrival pressure from Bihar and are likely to trade steady to slightly weak in the near term too.

In Karnataka and Nizamabad region, maize is likely to trade steady to slightly weak as feed makers demand has shifted towards Bihar.

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 1940 level for a target of 1910 and 1895 with a stop loss at 1958 on closing basis. In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2170-2250 per quintal for the week.

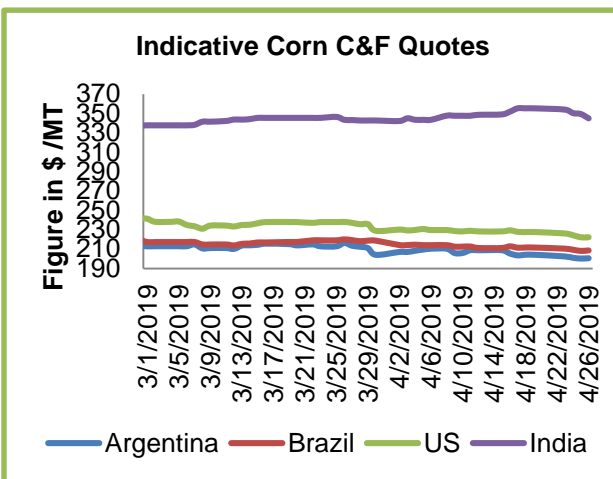
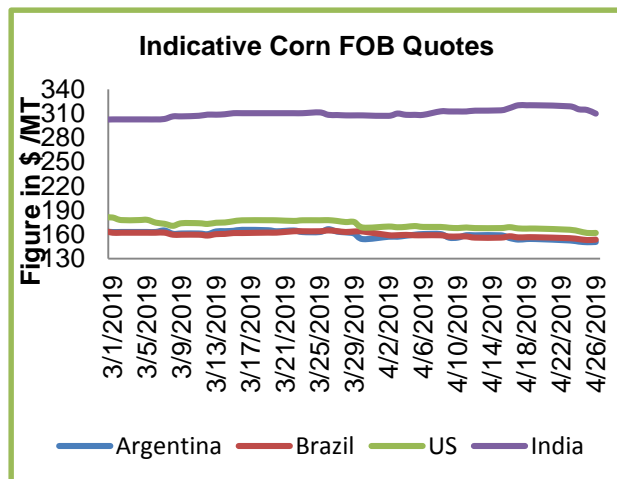
**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT fall by 4.34 USD/MT to 136.80 USD/MT for May'19 contract compared to last week due to increase in global corn production estimates. 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 33.50 MMT in the 2018-19 marketing year. At 1.25 MMT (for the period 12th Apr- 18th Apr, 2019) US corn exports were up 2 percent from the previous week and 13 percent from the previous 4-week average; mainly for the destination like Mexico (445,300 MT), Japan (399,500 MT), Colombia (194,200 MT), South Korea (62,400 MT), and Peru (30,000 MT).

IGC increased its global corn production forecast for 2019/20 by 1 MMT to 1125 MMT compared to previous month forecast; driven by upward projection for Argentina and Brazil. Forecast for global corn ending stock was also increased by 9 MMT to 275 MMT for 2019/20.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 70.14)				
As on 26.04.2019	Argentina	Brazil	US	India
FOB	150.59	153.70	162.08	309.74
C&F	200.59	208.70	222.08	344.74

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

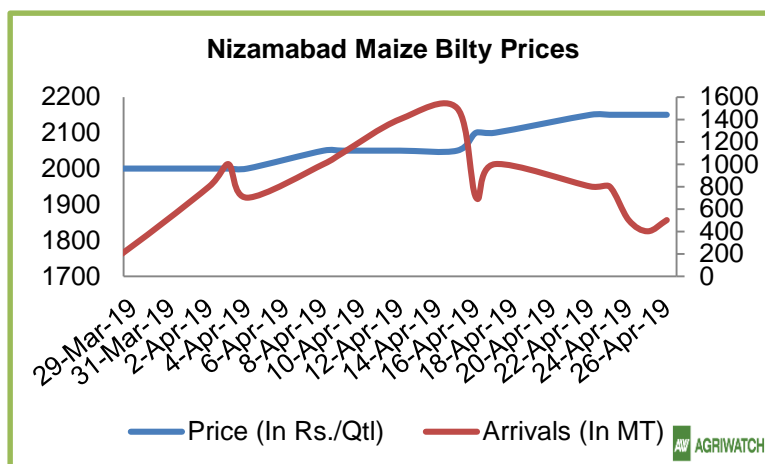
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2250 per quintal. Meanwhile, it is moving towards Bengaluru at Rs. 2300 per quintal, Namakkal at Rs. 2400 per quintal, Chitradurga at Rs. 2200 per quintal, Chennai at Rs. 2400 per quintal, Sangali at Rs. 2250 per quintal and Ranabennur at Rs. 2200 per quintal (Delivered price); sourced from Davangere. Maize is moving towards U.P and Punjab at Rs. 2150 and Rs. 2250 per quintal respectively.

## CURRENT MARKET DYNAMICS:

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

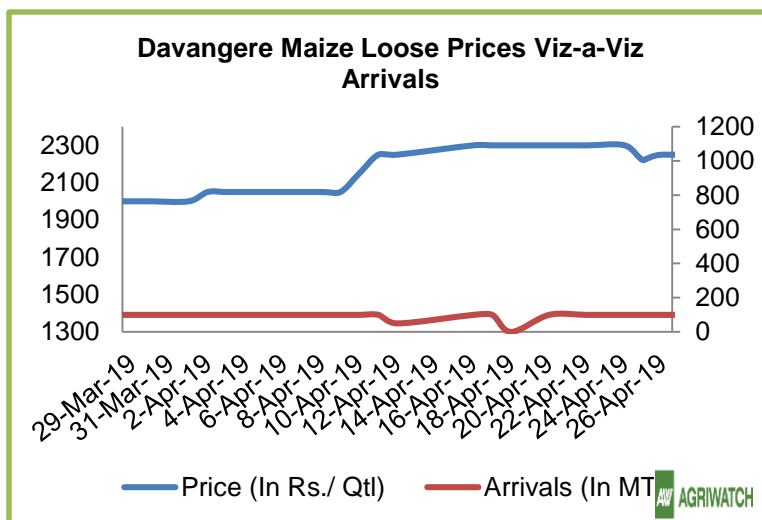
### TELANGANA:

- In Nizamabad region, maize is likely to trade steady to slightly weak in near term amid sluggish demand. Maize is moving towards Hyderabad at Rs. 2250 per quintal. Pune feed makers demand has shifted towards Bihar.



### KARNATAKA:

- In Karnataka region, maize is likely to trade steady to slightly weak in near term due to sluggish demand. In Davangere region of Karnataka, maize is moving towards Bengaluru at Rs. 2300 per quintal, Namakkal at Rs. 2400 per quintal, Chitradurga at Rs. 2200 per quintal, Chennai at Rs. 2400 per quintal, Sangali at Rs. 2250 per quintal and Ranebennur at Rs. 2200 per quintal (Delivered price); sourced from Davangere.



## DOMESTIC MAIZE OUTLOOK:

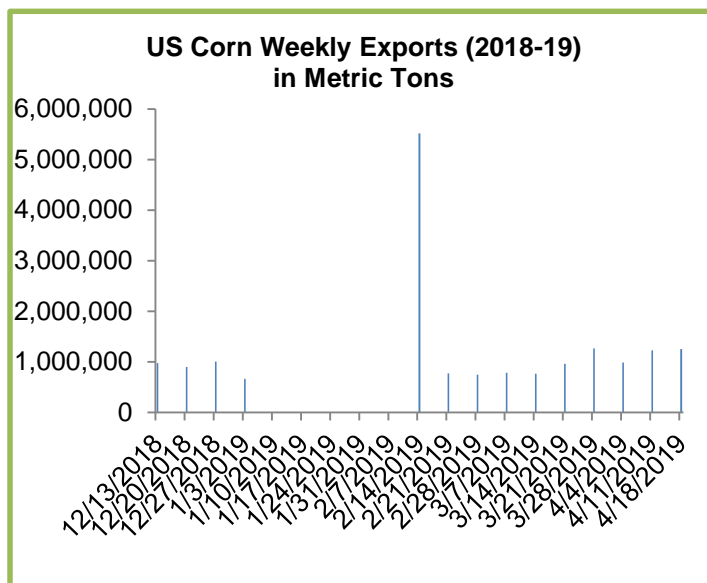
Prices of standard quality maize are likely to be steady to slightly weak due to new crop arrival pressure.

**INTERNATIONAL MARKET HIGHLIGHT:**

As per USDA, U.S corn exports reached 33.50 MMT in the 2018-19 marketing year. At 1.25 MMT (for the period 12th Apr- 18th Apr, 2019) US corn exports were up 2 percent from the previous week and 13 percent from the previous 4-week average; mainly for the destination like Mexico (445,300 MT), Japan (399,500 MT), Colombia (194,200 MT), South Korea (62,400 MT), and Peru (30,000 MT).

IGC increased its global corn production forecast for 2019/20 by 1 MMT to 1125 MMT compared to previous month forecast; driven by upward projection for Argentina and Brazil. Forecast for global corn ending stock was also increased by 9 MMT to 275 MMT for 2019/20.

In U.S, corn planting has been 6% as of 23rd Apr, 2019, which is lower by 6% compared to last 5 year average period.


**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT fall by 4.34 USD/MT to 136.80 USD/MT for May'19 contract compared to last week due to increase in global corn production estimates. 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:



#### (May Contract Weekly Chart)

- Candlestick depicts range bound situation in the market.
- Prices closed above 9 days EMAs.
- RSI is moving down from overbought region.
- Decrease in prices with higher OI indicates to short build up.
- Strategy: Sell near 1940 for target 1910 and 1895 in the near term.

#### Strategy: Sell

#### Maize NCDEX (May)

Support & Resistance				
S2	S1	PCP	R1	R2
1820	1872	1940	1965	2006

**DAVANGERE MARKET ANALYSIS: MAIZE**


In Davangere cash market, maize (Bilty) prices are likely to trade at Rs.2170-2250 per quintal for the week.

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

Maize(Corn)Weekly Prices:						
Market	Grade	25-Apr-19	18-Apr-19	25-Mar-19	25-Apr-18	25-Apr-17
Gulabbagh	Bilty	2000	Closed	NA	1180	1370
Delhi	Hybrid Maize (U.P.)	2150	2300	2200	1450	1550
Davangere	Bilty Price	2220	2300	2000	1200	1575
Shimoga	Bilty	2260	2320	2000	1340	1560
Ranebennur	Bilty	2200	2300	2030	1150	1600
Bagalkot	Hybrid/Local	2156	NA	1950	1175	1496
Gadag	Local	2217	NA	NA	1110	1532
Nizamabad	Bilty	2150	Closed	2025	1330	1480
Khanna	Bilty	2410	2380	2200	1590	1610
Sangli	Feed	2305	2398	2123	NA	1584
Ahmedabad	Feed	2225	2450	2250	1370	1575
	Starch	2250	2450	2250	1400	1600

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	25-Apr-19	18-Apr-19	Change
Corn CBOT Prices	May-19	136.80	141.14	-4.34
	Jul-19	140.64	144.58	-3.94
	Sep-19	143.89	147.63	-3.74
	Dec-19	148.52	152.06	-3.54
	Mar-20	154.52	157.57	-3.05

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