

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 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 region, maize is likely to trade steady to slightly weak as feed makers demand has shifted towards Bihar. While, In Bihar, maize could trade steady to weak due to new crop arrival pressure. However, Unfavorable weather conditions in Bihar could support to maize prices.

As per trade sources, Vessel (INCE HAMBURG) with 27225.00 tonnes of corn is waiting at berth for discharge at Kandla port.

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:

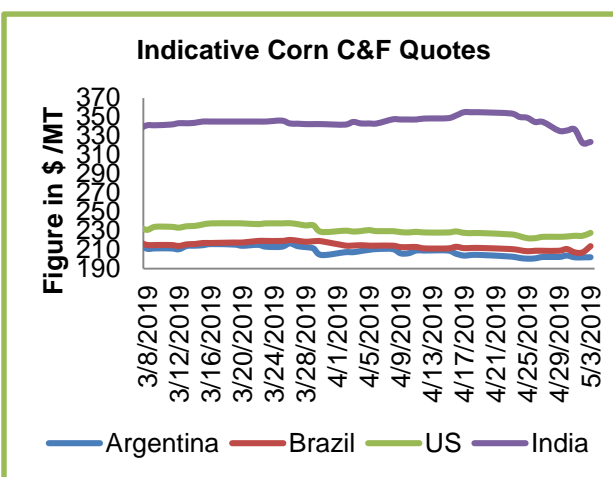
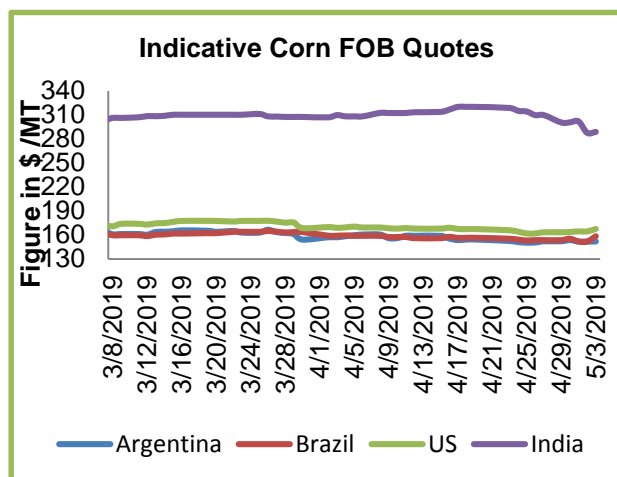
Weekly Call - : Market participants are advised to sell in Maize for May contract near 1865 level for a target of 1835 and 1820 with a stop loss at 1883 on closing basis. In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2160-2060 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 6.11 USD/MT to 142.91 USD/MT for May'19 contract compared to last week on the concern over yield loss due to delay in spring planting on the forecasts for more rain in U.S Midwest.

U.S corn exports reached 34.86 MMT in the 2018-19 marketing year. At 1.37 MMT (for the period 19th Apr- 25th Apr, 2019) US corn exports were up 9 percent from the previous week and 16 percent from the previous 4-week average; mainly for the destination like Japan (362,300 MT), South Korea (264,600 MT), Mexico (262,500 MT), Taiwan (90,000 MT), and Colombia (76,300 MT, including 21,900 MT late reporting)).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.27)				
As on 03.05.2019	Argentina	Brazil	US	India
FOB	151.77	158.60	167.70	288.73
C&F	201.77	213.60	227.70	323.73

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

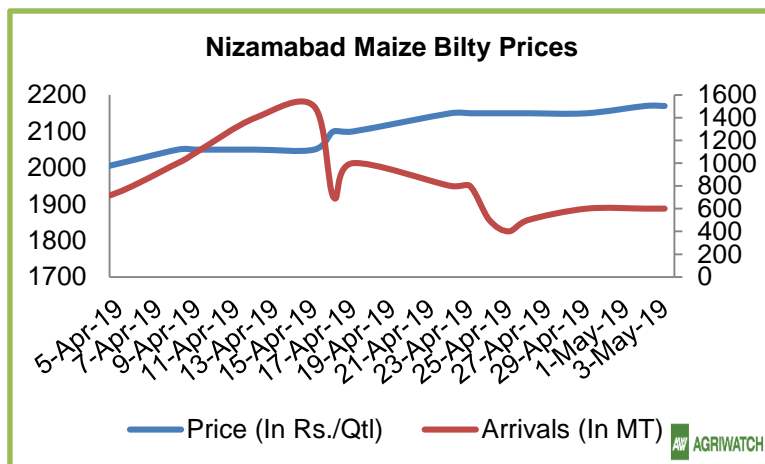
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 2250 per quintal. Meanwhile, maize is moving towards Bengaluru at Rs. 2100 per quintal, Namakkal at Rs. 2200 per quintal, Chitradurga at Rs. 2100-2150 per quintal, Chennai at Rs. 2200 per quintal, Sangali at Rs. 2100 per quintal and Ranebennur at Rs. 2100 per quintal (Delivered price); sourced from Davangere. In Gulabgah region of Bihar, maize (Bilty) is trading at Rs.1750 per quintal. Forward contract has been made at Rs.2050 per quintal for Gujarat. Maize is moving towards Punjab and Haryana at Rs. 2000 per quintal and U.P at Rs. 1900 per quintal; sourced from Bihar.

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:

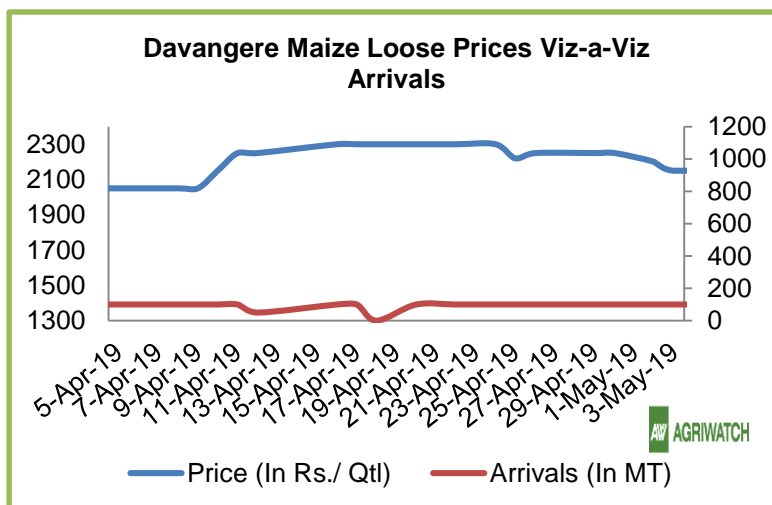
TELANGANA:

- In Nizamabad region, maize is likely to trade steady to range bound in near term despite new crop arrival pressure from Bihar as feed makers are buying to prefer local goods. 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. 2100 per quintal, Namakkal at Rs. 2200 per quintal, Chitradurga at Rs. 2100-2150 per quintal, Chennai at Rs. 2200 per quintal, Sangali at Rs. 2100 per quintal and Ranebennur at Rs. 2100 per quintal (Delivered price); sourced from Davangere.



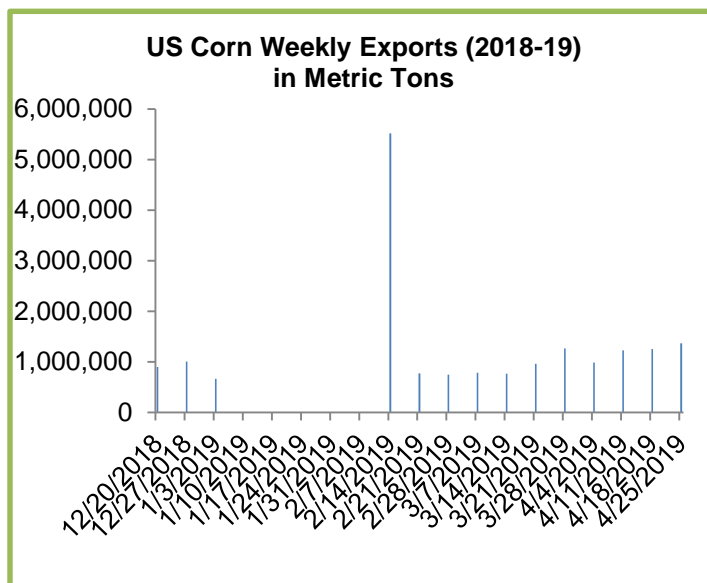
DOMESTIC MAIZE OUTLOOK:

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

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 34.86 MMT in the 2018-19 marketing year. At 1.37 MMT (for the period 19th Apr- 25th Apr, 2019) US corn exports were up 9 percent from the previous week and 16 percent from the previous 4-week average; mainly for the destination like Japan (362,300 MT), South Korea (264,600 MT), Mexico (262,500 MT), Taiwan (90,000 MT), and Colombia (76,300 MT, including 21,900 MT late reporting).

In U.S, corn planting has been 15% as of 30th Apr, 2019, which is lower by 12% compared to last 5 year average period.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 6.11 USD/MT to 142.91 USD/MT for May'19 contract compared to last week on the concern over yield loss due to delay in spring planting on the forecasts for more rain in U.S Midwest.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(May Contract Weekly Chart)

- Candlestick depicts down situation in the market.
- Prices closed above 9 days EMAs.
- RSI is moving down from overbought region.
- Decrease in prices with higher volume and OI indicates to short build up.
- Strategy: Sell near 1865 for target 1835 and 1820 in the near term.

Strategy: Sell
Maize NCDEX (May)

Support & Resistance				
S2	S1	PCP	R1	R2
1756	1800	1845	1906	1968

DAVANGERE MARKET ANALYSIS: MAIZE


In Davangere cash market, maize (Bilty) prices are likely to trade at Rs.2160-2060 per quintal for the week.

ANNEXURE
MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	2-May-19	25-Apr-19	2-Apr-19	2-May-18	2-May-17
Gulabghagh	Bilty	1750	2000	2150	1200	1260
Delhi	Hybrid Maize	2200	2150	2250	1410	1480
Davangere	Bilty Price	2200	2220	2050	1200	1620
Shimoga	Bilty	2150	2260	2040	NA	1727
Ranebennur	Bilty	2150	2200	2100	1160	1600
Bagalkot	Hybrid/Local	2050	2156	1985	1162	1515
Gadag	Local	2300	2217	2015	1120	1541
Nizamabad	Bilty	2170	2150	2000	1340	1500
Khanna	Bilty	2150	2410	2220	1500	1610
Sangli	Feed	2115	2305	2171	NA	1610
Ahmedabad	Feed	2100	2225	2200	1330	1525
	Starch	2130	2250	2300	1390	1540

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	02-May-19	25-Apr-19	Change
Corn CBOT Prices	May-19	142.91	136.80	6.11
	Jul-19	145.96	140.64	5.32
	Sep-19	148.71	143.89	4.82
	Dec-19	152.65	148.52	4.13
	Mar-20	157.37	154.52	2.85

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.