



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
- ❖ Davangere Market Analysis
- ❖ Annexure

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

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

In Karnataka, Nizamabad and Bihar region, despite the new crop arrival pressure; maize is likely to trade steady to range bound due to high feed makers' demand.

As per media report, MMTC postpones deadline to buy corn for actual users from 8th May to 15th May. Offers for that must remain valid until May 31 versus May 26 previously. The shipment period has also been extended from May 29-June 20 to June 10 -July 10.

As per trade sources, Vessel (INCE HAMBURG) with 27225.00 tonnes of corn has discharged 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 - : In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2080-2140 per quintal for the week.

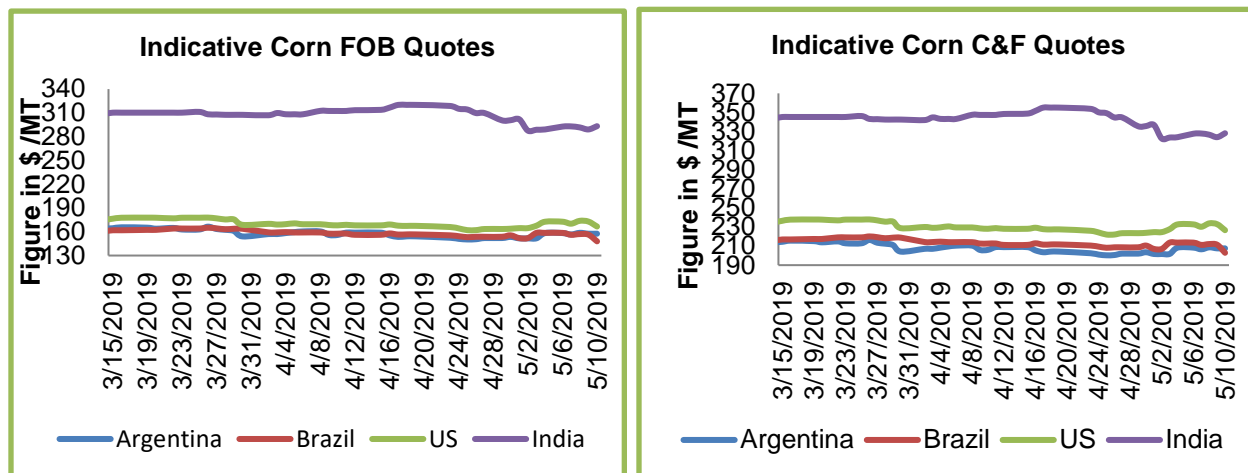
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 9.06 USD/MT to 135.62 USD/MT for May'19 contract compared to last week due to low export demand for U.S corn. However, concern over yield loss due to delay in spring planting in U.S Midwest could support the CBOT corn market at lower levels.

U.S corn exports reached 36.02 MMT in the 2018-19 marketing year. At 1.15 MMT (for the period 26th Apr- 02nd May, 2019) US corn exports were down 16 percent from the previous week and 4 percent from the previous 4-week average; mainly for the destination like Mexico (467,100 MT), Japan (232,800 MT), South Korea (140,800 MT) Colombia (139,100 MT), and El Salvador (41,200 MT).

In U.S, corn planting has been 23% as of 7th May, 2019, which is lower by 23% compared to last 5 year average period.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.90)				
As on 10.05.2019	Argentina	Brazil	US	India
FOB	157.58	147.90	166.60	293.19
C&F	207.58	202.90	226.60	328.19

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

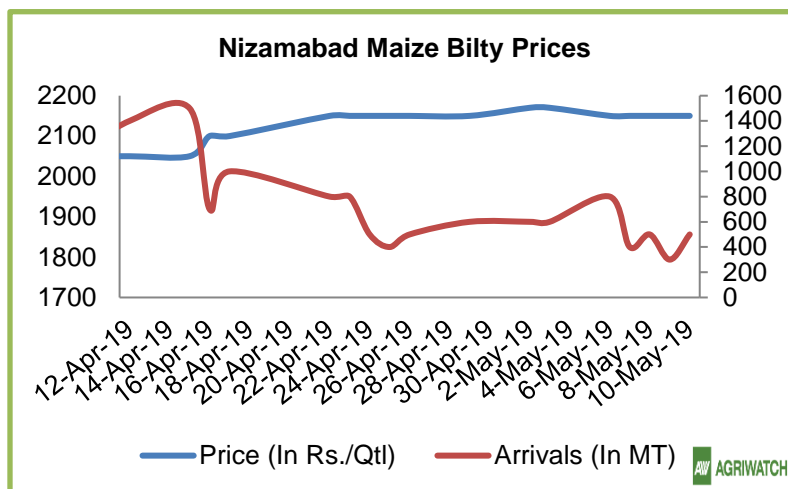
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 2250 per quintal. Meanwhile, maize is moving towards Bengaluru at Rs. 2200-2250 per quintal, Namakkal at Rs. 2280 per quintal, Chitradurga at Rs. 2150 per quintal, Sangali at Rs. 2150 per quintal, Chennai at Rs. 2300 per quintal and Ranebennur at Rs. 2150 per quintal (Delivered price); sourced from Davangere. In Gulabgh region of Bihar, maize (Bilty) is trading at Rs.1800 per quintal. Maize is moving towards Punjab and Haryana at Rs. 2050 per quintal and U.P at Rs. 1950 per quintal; sourced from Bihar.

CURRENT MARKET DYNAMICS:

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

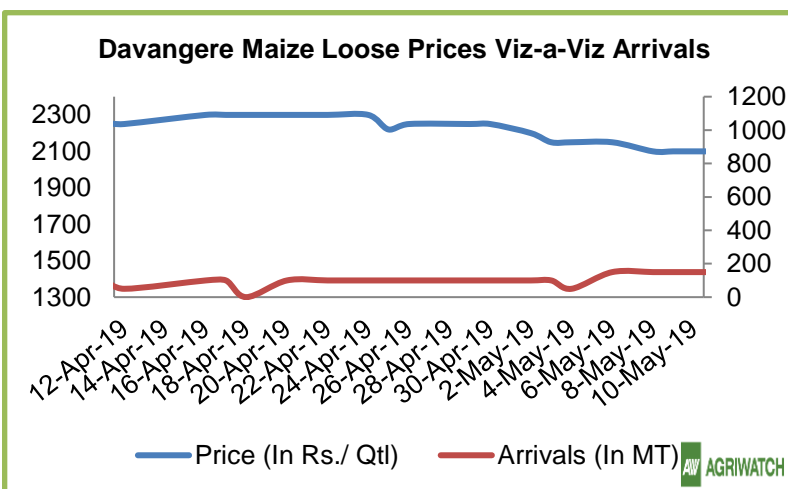
TELANGANA:

- 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 range bound in the near term. In Davangere region of Karnataka, maize is moving towards Bengaluru at Rs. 2200-2250 per quintal, Namakkal at Rs. 2280 per quintal, Chitradurga at Rs. 2150 per quintal, Sangali at Rs. 2150 per quintal, Chennai at Rs. 2300 per quintal and Ranebennur at Rs. 2150 per quintal (Delivered price); sourced from Davangere.



DOMESTIC MAIZE OUTLOOK:

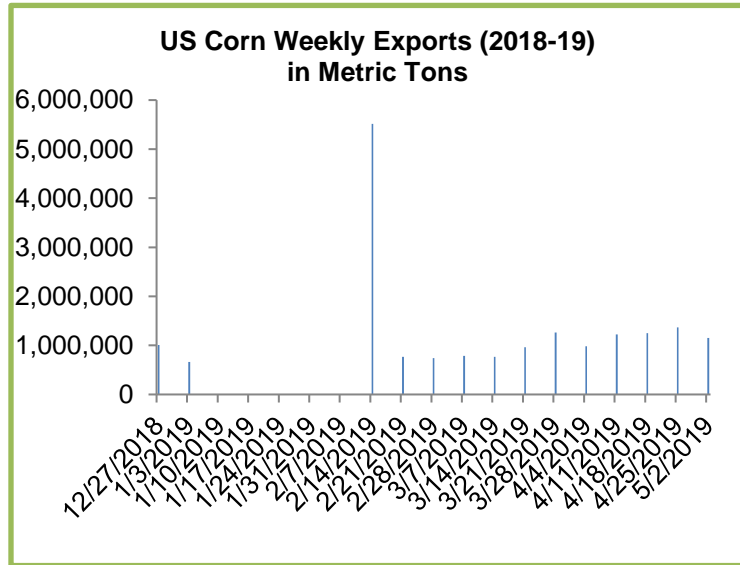
Prices of standard quality maize are likely to be steady to range bound despite new crop arrival pressure as feed makers' demand supporting to maize prices.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 36.02 MMT in the 2018-19 marketing year. At 1.15 MMT (for the period 26th Apr- 02nd May, 2019) US corn exports were down 16 percent from the previous week and 4 percent from the previous 4-week average; mainly for the destination like Mexico (467,100 MT), Japan (232,800 MT), South Korea (140,800 MT) Colombia (139,100 MT), and El Salvador (41,200 MT).

Brazil's corn production this year will be the highest on record, commodities consultancy AgRural forecast. The country's total corn production is expected to reach a record 99.2 million tonnes in the 2018/19 season, AgRural said, a sharp rise from the earlier season, when production fell to 80.7 million tonnes because of a drought.

In U.S, corn planting has been 23% as of 7th May, 2019, which is lower by 23% compared to last 5 year average period.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 9.06 USD/MT to 135.62 USD/MT for May'19 contract compared to last week due to low export demand for U.S corn. However, concern over yield loss due to delay in spring planting in U.S Midwest could support the CBOT corn market at lower levels.

DAVANGERE MARKET ANALYSIS: MAIZE


In Davangere cash market, maize (Bilty) prices are likely to trade at Rs.2080-2140 per quintal for the week.

ANNEXURE
MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	9-May-19	2-May-19	9-Apr-19	9-May-18	9-May-17
Gulabbagh	Bilty	1775	1725	NA	1125	1200
Delhi	Hybrid Maize	2000	2200	2300	1350	1460
Davangere	Bilty Price	2100	2200	2050	1200	NA
Shimoga	Bilty	NA	2150	NA	NA	1600
Ranebennur	Bilty	2150	2150	2100	1200	1530
Bagalkot	Hybrid/Local	2035	2050	2165	1178	1522
Gadag	Local	NA	2300	1900	1131	1544
Nizamabad	Bilty	2150	2170	2050	1340	1500
Khanna	Bilty	2100	2150	2300	1400	1580
Sangli	Feed	2228	2115	2337	NA	1598
Ahmedabad	Feed	2100	2100	2350	1360	1490
	Starch	2100	2130	2400	1390	1525

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	09-May-19	02-May-19	Change
Corn CBOT Prices	May-19	135.62	144.68	-9.06
	Jul-19	139.07	148.91	-9.84
	Sep-19	142.51	151.86	-9.35
	Dec-19	146.75	154.52	-7.77
	Mar-20	152.26	155.01	-2.75

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.