

# Maize Weekly Research Report

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

Overall maize cash markets traded steady to firm 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, Indian state-run trading company, has postponed for the third time a deadline for offer submissions in an international tender to import yellow corn, this time to June 6. It was for at least 20,000 tonnes and a maximum 100,000 tonnes.

**As per trade sources, Vessel (OCEAN GLORY) with 33,000.00 tonnes of corn is waiting for berth to 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 - : In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2310-2370 per quintal for the week.

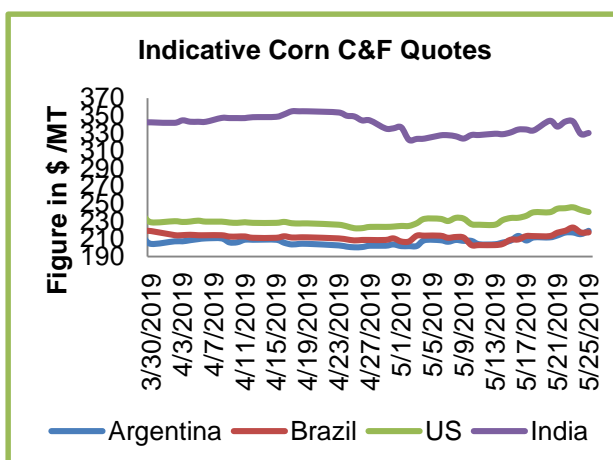
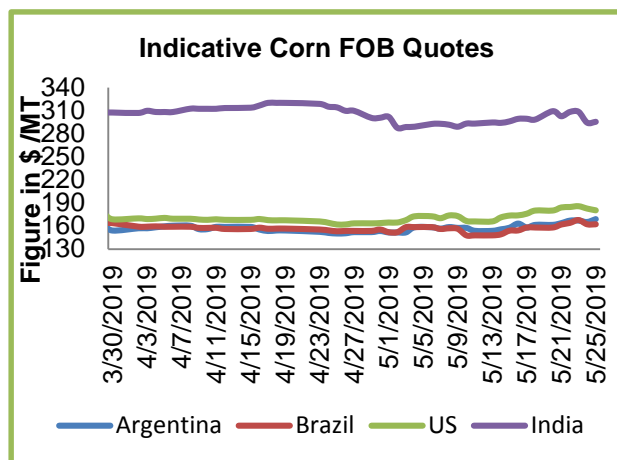
**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT rose by 4.23 USD/MT to 153.44 USD/MT for July'19 contract compared to last week on the concern that more of the crop may go unplanted this year due to waterlogged fields.

U.S corn exports reached 37.88 MMT in the 2018-19 marketing year. At 0.88 MMT (for the period 10th May- 16th May, 2019) US corn exports were down 11 percent from the previous week and 26 percent from the previous 4-week average; mainly for the destination like Mexico (272,300 MT), Japan (272,200 MT), Colombia (114,100 MT), Taiwan (91,900 MT), and South Korea (72,500 MT).

In U.S, corn planting has been 49% as of 19th May, 2019, which is lower by 29% compared to previous year and 31% from last 5 year average period. It has been emerged 19% as of 19th May, 2019 which is lower by 28% compared to previous day.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.38)				
As on 25.05.2019	Argentina	Brazil	US	India
FOB	169.00	162.30	180.41	295.47
C&F	219.00	217.30	240.41	330.47

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

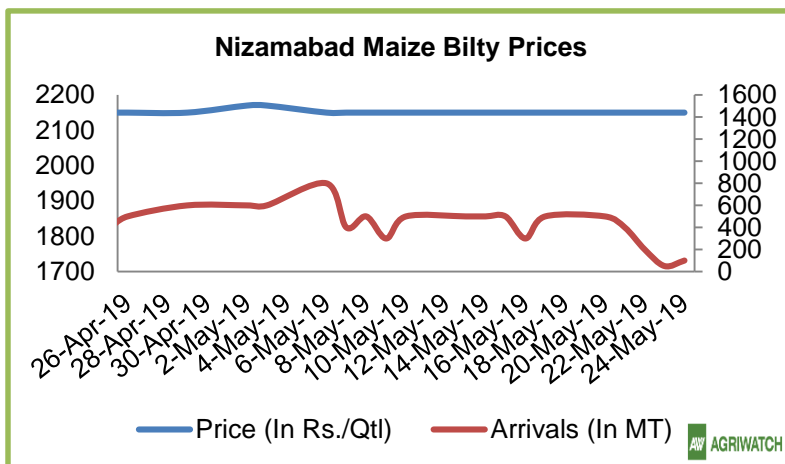
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 2250 per quintal. Meanwhile, maize is moving towards Namakkal at Rs. 2350-2380 per quintal and Chitradurga at Rs. 2350 per quintal (Delivered price); sourced from Davangere. In Gulabbagh region of Bihar, maize (Bilty) is trading at Rs.1800 per quintal. Maize is moving towards Punjab and Haryana 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:

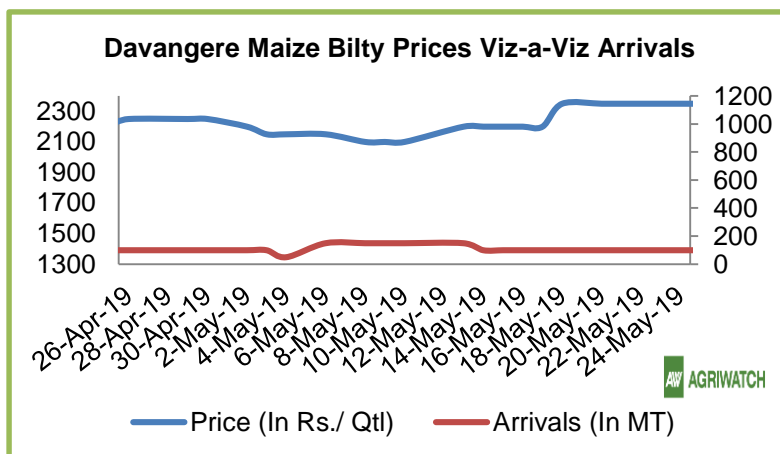
### TELANGANA:

- In Nizamabad region, maize is likely to trade steady to range bound in 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 Namakkal at Rs. 2350-2380 per quintal and Chitradurga at Rs. 2350 per quintal (Delivered price); sourced from Davangere. Bangalore feed makers' demand has shifted towards Bihar.



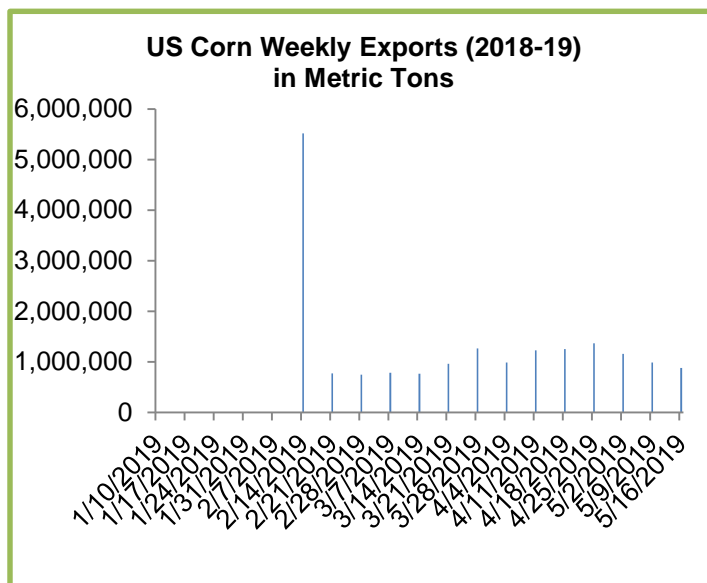
## DOMESTIC MAIZE OUTLOOK:

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 37.88 MMT in the 2018-19 marketing year. At 0.88 MMT (for the period 10th May- 16th May, 2019) US corn exports were down 11 percent from the previous week and 26 percent from the previous 4-week average; mainly for the destination like Mexico (272,300 MT), Japan (272,200 MT), Colombia (114,100 MT), Taiwan (91,900 MT), and South Korea (72,500 MT).

In U.S, corn planting has been 49% as of 19th May, 2019, which is lower by 29% compared to previous year and 31% from last 5 year average period. It has been emerged 19% as of 19th May, 2019 which is lower by 28% compared to previous day.



South Korea's feed-makers NOFI and MFG both bought same quantity of corn – 69,000 tonnes in private deal on 10th May and 7 May respectively.

IEG Vantage, formerly known as Informa Economics IEG, projected U.S. 2019 corn plantings at 90.692 million acres.

The IEG figure is below the U.S. Department of Agriculture's March forecast of 92.8 million acres.

### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 4.23 USD/MT to 153.44 USD/MT for July'19 contract compared to last week on the concern that more of the crop may go unplanted this year due to waterlogged fields.

## DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (Bilty) prices are likely to trade at Rs.2310-2370 per quintal for the week.

## ANNEXURE

## MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	23-May-19	16-May-19	23-Apr-19	23-May-18	23-May-17
Gulabghagh	Bilty	1900	1850	2020	1150	1250
Delhi	Hybrid Maize	2050	2050	2200	1310	NA
Davangere	Bilty Price	2350	2200	2300	1300	NA
Shimoga	Bilty	2320	NA	2370	1370	1580
Ranebennur	Bilty	2350	2250	2500	1300	1620
Bagalkot	Hybrid/Local	NA	2125	2162	1301	1535
Gadag	Local	2400	1810	2141	1311	1501
Nizamabad	Bilty	2150	2150	2150	1350	1510
Khanna	Bilty	2175	2100	2425	1340	1510
Sangli	Feed	2371	2350	2314	NA	1580
Ahmedabad	Feed	2175	2200	2250	1390	1480
	Starch	2200	2200	2250	1400	1500

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	23-May-19	16-May-19	Change
Corn CBOT Prices	Jul-19	153.44	149.21	4.23
	Sep-19	156.88	152.36	4.53
	Dec-19	160.62	156.10	4.53
	Mar-20	165.05	160.03	5.02
	May-20	166.72	162.30	4.43

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