

Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded steady to weak during the week due to crop arrival pressure from Bihar. Despite the new crop arrival pressure, it is likely to trade steady to range bound in the near term due to feed makers demand.

In Bihar region, despite the new crop arrival pressure; maize is likely to trade steady to range bound due to high feed makers' demand. In Davangere region, maize is likely to trade steady despite Nammakal feed makers shifted towards Bihar. However, in Nizamabad region, it is likely to trade steady to slightly firm as arrival pressure has reduced.

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 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.

RECOMMENDATION:

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

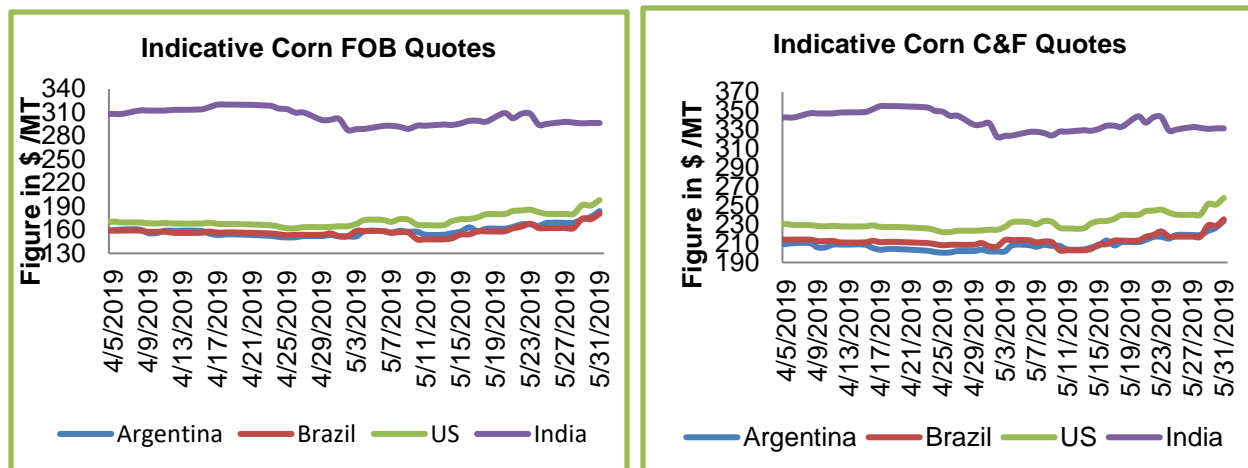
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 18.30 USD/MT to 171.74 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.

At 1.72 MMT (for the period 17th May- 23rd May, 2019) US corn exports were up 96 percent from the previous week and 57 percent from the previous 4-week average; mainly for the destination like Japan (931,300 MT, including 591,500 MT late reporting), Mexico (245,900 MT), Colombia (219,700 MT), South Korea (61,500 MT), and Saudi Arabia (59,400 MT).

IGC decreased its global corn production forecast for 2019/20 by 7 MMT to 1118 MMT compared to previous month forecast; driven by a diminished outlook for the U.S. crop. Despite the fall in production estimates; forecast for global corn ending stock was increased by 9 MMT to 284 MMT for 2019/20 due to fall in consumption estimates; mainly in U.S and China.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.80)				
As on 31.05.2019	Argentina	Brazil	US	India
FOB	183.96	180.60	198.12	296.55
C&F	233.96	235.60	258.12	331.55

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

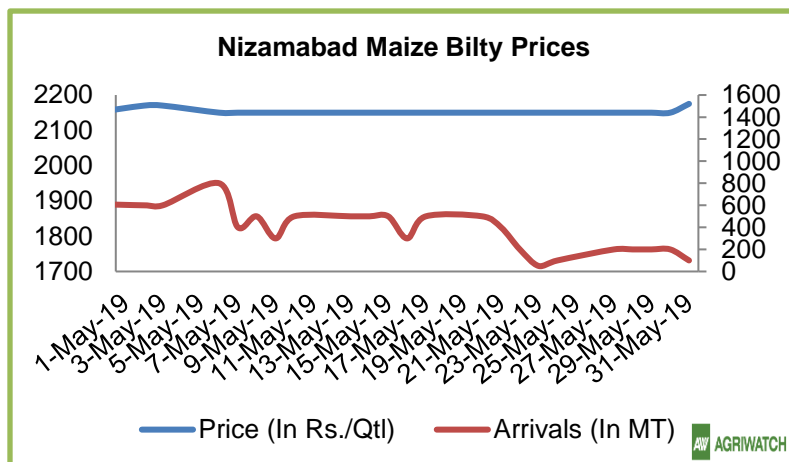
From the trade point of view, maize is moving towards Bangalore at Rs. 2400-2500 per quintal (Delivered price); sourced from Davangere. In Gulabghat region of Bihar, maize (Bilty) is trading at Rs.1820 per quintal. Maize is moving towards M.P at Rs. 1950 per quintal, Haryana at Rs. 2100 per quintal and U.P at Rs. 1900 per quintal; sourced from Bihar. Hyderabad and Nammakal feed makers demand has shifted towards Bihar.

CURRENT MARKET DYNAMICS:

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

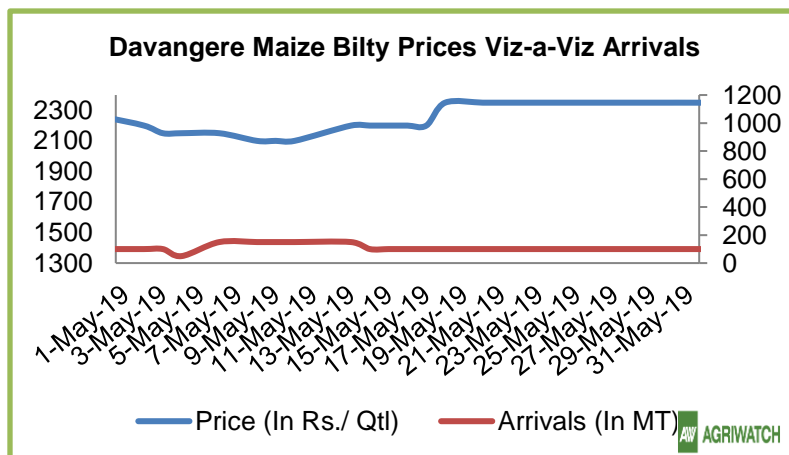
TELANGANA:

- In Nizamabad region, maize is likely to trade steady to slightly firm as arrival pressure has reduced. Pune and Hyderabad feed makers demand has shifted towards Bihar.



KARNATAKA:

- In Karnataka region, maize is likely to trade despite Nammakal feed makers shifted towards Bihar. In Davangere region of Karnataka, maize is moving towards Bangalore at Rs. 2400-2500 per quintal (Delivered price); sourced from Davangere. Nammakal 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:

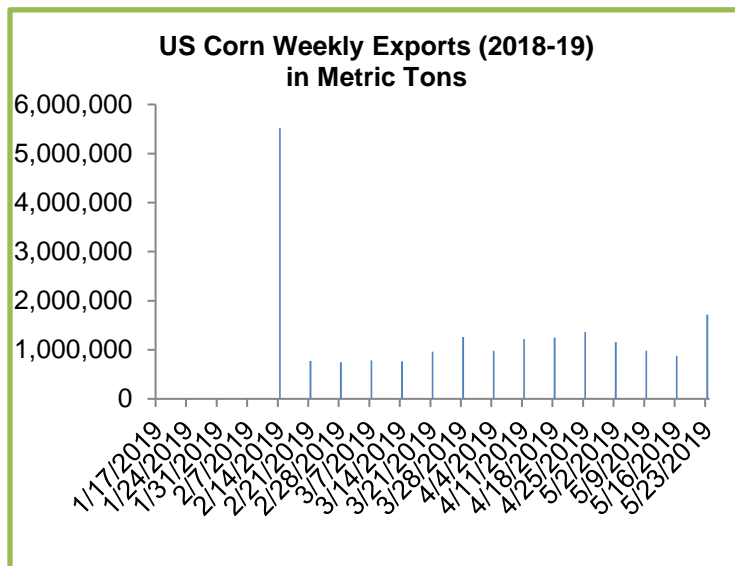
As per USDA, U.S corn exports reached 39.60 MMT in the 2018-19 marketing year. At 1.72 MMT (for the period 17th May- 23rd May, 2019) US corn exports were up 96 percent from the previous week and 57 percent from the previous 4-week average; mainly for the destination like Japan (931,300 MT, including 591,500 MT late reporting), Mexico (245,900 MT), Colombia (219,700 MT), South Korea (61,500 MT), and Saudi Arabia (59,400 MT).

IGC decreased its global corn production forecast for 2019/20 by 7 MMT to 1118 MMT compared to previous month

forecast; driven by a diminished outlook for the U.S. crop. Despite the fall in production estimates; forecast for global corn ending stock was increased by 9 MMT to 284 MMT for 2019/20 due to fall in consumption estimates; mainly in U.S and China.

In U.S, corn planting has been 58% as of 26th May, 2019, which is lower by 22% compared to previous year and last 5 year average period. It has been emerged 32% as of 26th May, 2019 which is lower by 37% compared to previous day.

Argentina's corn harvest for the 2019/20 season likely to surpass the record production of 56 million tonnes for the current 2018/19 season due to expansion of the planting area amid a global price spike and favorable weather conditions.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 18.30 USD/MT to 171.74 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	30-May-19	23-May-19	30-Apr-19	30-May-18	30-May-17
Gulabghagh	Bilty	1820	1900	1850	1150	1250
Delhi	Hybrid	2000	2050	2150	1320	NA
Davangere	Bilty Price	2350	2350	2250	1300	NA
Shimoga	Bilty	NA	2320	2150	1470	1570
Ranebennur	Bilty	2350	2350	2200	1220	1580
Bagalkot	Hybrid/Local	2225	2200	2140	1336	1538
Gadag	Local	NA	2400	2156	1052	1511
Nizamabad	Bilty	2150	2150	Closed	1350	1520
Khanna	Bilty	2080	2175	2150	1370	1500
Sangli	Feed	2324	2371	2300	NA	1580
Ahmedabad	Feed	2130	2175	2150	1430	1510
	Starch	2150	2200	2100	1400	1530

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	30-May-19	23-May-19	Change
Corn CBOT Prices	Jul-19	171.74	153.44	18.30
	Sep-19	175.29	156.88	18.41
	Dec-19	178.04	160.62	17.42
	Mar-20	180.8	165.05	15.75
	May-20	181.29	166.72	14.57

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