



# **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 Karnataka region, maize is likely to trade steady to slightly weak in near term as fall in prices in Bihar could impact the demand of Karnataka's maize. However, in Nizamabad region, it is likely to trade steady to slightly firm as arrival pressure has reduced.

MMTC, Indian state-run trading company, has postponed for the fourth time a deadline for offer submissions in an international tender to import yellow corn, this time to June 12. It was for at least 20,000 tonnes. The MMTC is asking for offers of corn for the shipment between 15th July and 15th Aug. Previous shipment period was 1st July and 31st July.

As per 3<sup>rd</sup> Advance Estimates, released by the Department of Agriculture, Cooperation and Farmers Welfare on 03<sup>rd</sup> June, 2019, the estimated production of maize crop during 2018-19 is 27.82 million tons.

As per trade sources, Vessel (OCEAN GLORY) with 33,000.00 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.

**RECOMMENDATION:**

Weekly Call - : In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2300-2350 per quintal for the week.

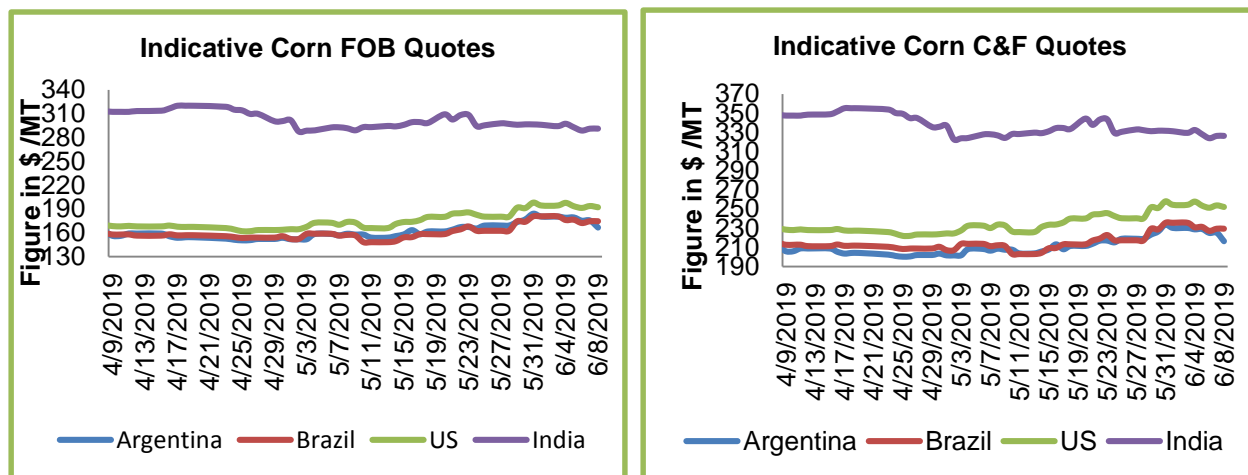
**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT fall by 8.07 USD/MT to 163.67 USD/MT for July'19 contract compared to last week on the concern due to low export demand for U.S corn. It is likely to trade down on expectation of progress in corn planting.

At 0.77 MMT (for the period 24th May- 30th May, 2019) US corn exports were down 55 percent from the previous week and 35 percent from the previous 4-week average; mainly for the destination like Mexico (324,300 MT), Japan (218,200 MT), South Korea (59,100 MT), New Zealand (33,200 MT), and Guatemala (32,400 MT).

In U.S, corn planting has been 67% as of 2nd June, 2019, which is lower by 29% compared to previous year and last 5 year average period. It has been emerged 46% as of 2nd June, 2019 which is lower by 38% compared to previous year and last 5 year average period.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.36)				
As on 08.06.2019	Argentina	Brazil	US	India
FOB	166.44	174.40	192.19	291.23
C&F	216.44	229.40	252.19	326.23

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

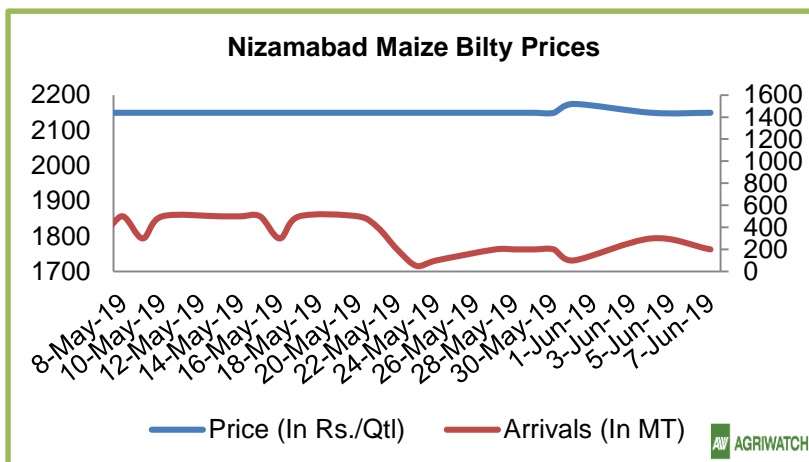
From the trade point of view, maize is moving towards Bangalore at Rs. 2400-2500 per quintal, Nammakal at Rs. 2350-2380 per quintal, Chitradurga at Rs. 2350 per quintal, Chennai at Rs. 2450-2500 per quintal, Ranebennur at Rs. 2350 per quintal (Delivered price); sourced from Davangere. In Gulabgh region of Bihar, maize (Bilty) is trading at Rs.1690-1770 per quintal. Maize is moving towards M.P and Haryana at Rs. 2000 per quintal, Punjab at Rs. 2100 per quintal and U.P at Rs. 1900 per quintal; sourced from Bihar. Hyderabad feed makers demand has shifted towards Bihar.

CURRENT MARKET DYNAMICS:

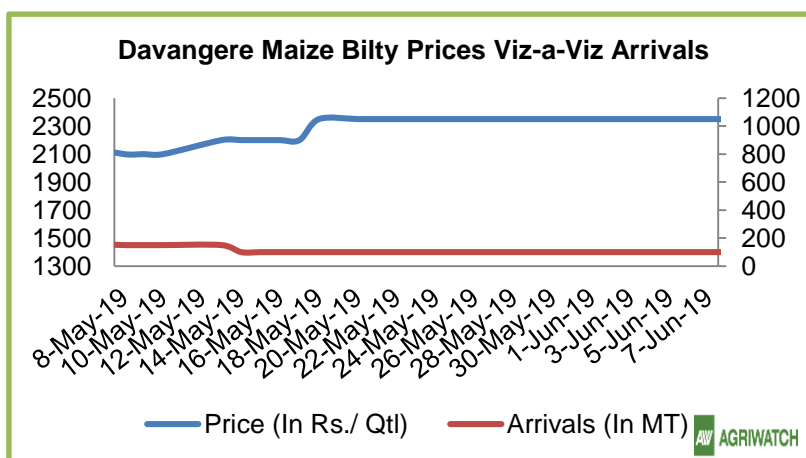
During the week under review, steady to weak sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

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 steady to slightly weak in near term as fall in prices in Bihar could impact the demand of Karnataka's maize. In Davangere region of Karnataka, maize is moving towards Bangalore at Rs. 2400-2500 per quintal, Nammakal at Rs. 2350-2380 per quintal, Chitradurga at Rs. 2350 per quintal, Chennai at Rs. 2450-2500 per quintal, Ranebennur at Rs. 2350 per quintal (Delivered price); sourced from Davangere.

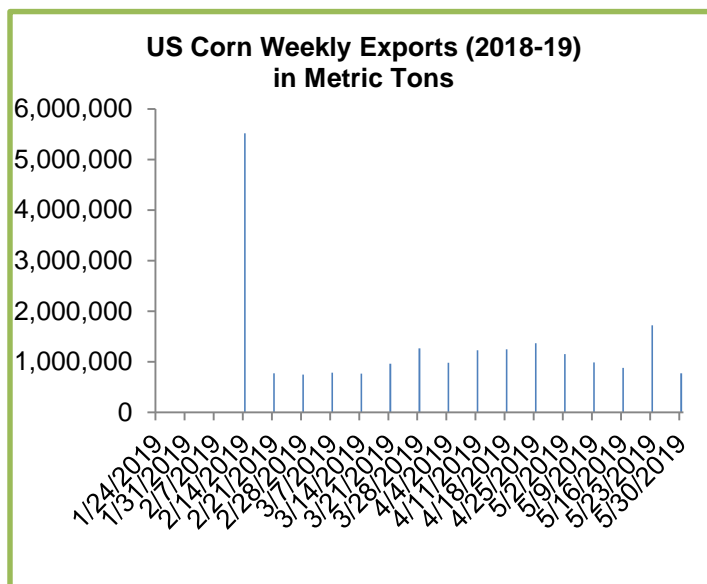
DOMESTIC MAIZE OUTLOOK:

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 40.37 MMT in the 2018-19 marketing year. At 0.77 MMT (for the period 24th May- 30th May, 2019) US corn exports were down 55 percent from the previous week and 35 percent from the previous 4-week average; mainly for the destination like Mexico (324,300 MT), Japan (218,200 MT), South Korea (59,100 MT), New Zealand (33,200 MT), and Guatemala (32,400 MT).

In U.S, corn planting has been 67% as of 2nd June, 2019, which is lower by 29% compared to previous year and last 5 year average period. It has been emerged 46% as of 2nd June, 2019 which is lower by 38% compared to previous year and last 5 year average period.



### INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 8.07 USD/MT to 163.67 USD/MT for July'19 contract compared to last week on the concern due to low export demand for U.S corn. It is likely to trade down on expectation of progress in corn planting.

## DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (Bilty) prices are likely to trade at Rs.2300-2350 per quintal for the week.

## ANNEXURE

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

Maize(Corn)Weekly Prices:						
Market	Grade	06-Jun-19	30-May-19	06-May-19	06-Jun-18	06-Jun-17
Gulabbagh	Bilty	1750	1820	1780	1150	1250
Delhi	Hybrid	1900	2000	2000	1300	NA
Davangere	Bilty Price	2350	2350	2150	1300	NA
Shimoga	Bilty	NA	NA	2100	1400	1650
Ranebennur	Bilty	2350	2350	2150	1310	1590
Bagalkot	Hybrid/Local	2150	2211	1950	1351	1515
Gadag	Local	2123	NA	2139	1153	1304
Nizamabad	Bilty	Closed	2150	2150	1350	1525
Khanna	Bilty	2000	2080	2080	1340	1410
Sangli	Feed	2316	2324	2199	NA	1618
Ahmedabad	Feed	2060	2130	2050	1470	1450
	Starch	2000	2150	2100	1440	1500

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	07-Jun-19	31-May-19	Change
Corn CBOT Prices	Jul-19	163.67	171.74	-8.07
	Sep-19	167.02	175.29	-8.27
	Dec-19	170.76	178.04	-7.28
	Mar-20	174.20	180.80	-6.60
	May-20	175.48	181.29	-5.81

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