



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 due to low crop arrival and is expected to trade steady to firm ahead despite the fact that government has allowed imports as new crop would start from mid of October so due to that gap amid high feed makers demand market would trade high.

In Bihar region, maize is likely to trade steady to firm due to low arrival pressure as traders and stockists are not selling their stock on the expectation of further hike. In Nizamabad region, it is likely to trade steady to slightly firm as arrival pressure has reduced.

In Karnataka, farmers are likely to shift from cotton, groundnut, tur and sugarcane to maize. As maize traded higher than MSP and it is Photo-insensitive crop; farmers are likely to sow more maize during kharif season.

As per trade source, in Maharashtra, M.P, Rajasthan and A.P; some crop area of soybean could shift towards maize.

As per media report, India has allowed 1 lakh ton Non- GM maize import on 15 % duty for actual users. MMTC and NAFED each were allowed to import 50,000 tonnes of corn for poultry firms during the financial year 2019-20; starting from April 1.

As per trade sources, India exported 19,552 MT of maize for the month of April'19 at an average FoB of \$324.81/ MT. Indian maize is exported mainly to Nepal mainly through Sonauli ICD followed by Raxaul and Jogbani ICD port.

RECOMMENDATION:

Weekly Call - : In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2330-2370 per quintal for the week.

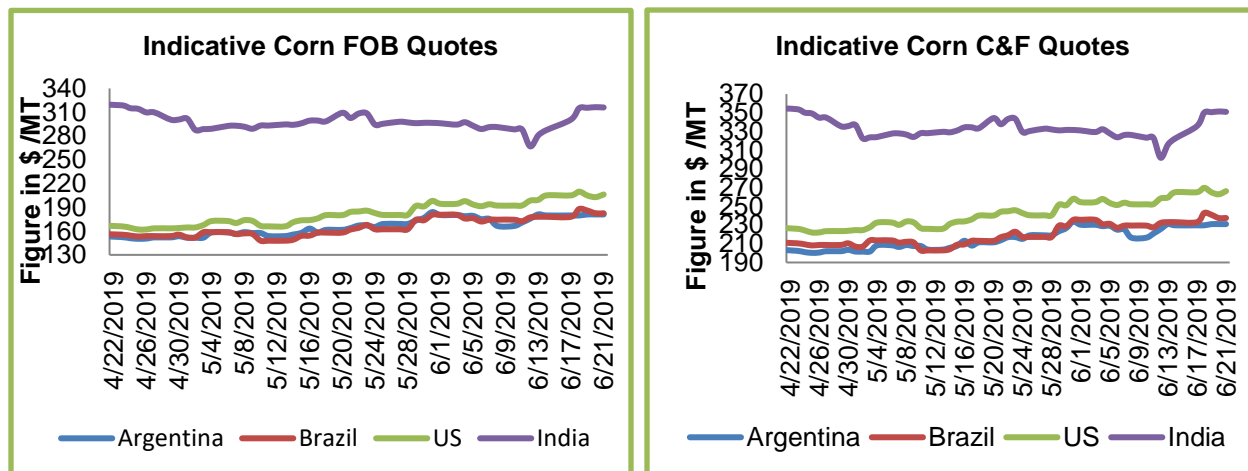
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 3.15 USD/MT to 177.16 USD/MT for July'19 contract compared to last week. However, forecast of dry weather and low export demand for U.S corn could weigh on market sentiments.

At 0.64 MMT (for the period 7th June- 13th Jun, 2019) US corn exports were down 28 percent from the previous week and 40 percent from the previous 4-week average; mainly for the destination like Mexico (266,800 MT), Japan (155,900 MT), Saudi Arabia (68,700 MT), Honduras (39,200 MT), and Taiwan (38,400 MT).

In U.S, corn planting has been 92% as of 16th June, 2019, which is lower by 8% compared to previous year and last 5 year average period. It has been emerged 79% as of 16th June, 2019 which is lower by 18% compared to previous year and last 5 year average period. 59% crop of Corn is in good to excellent condition.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.63)				
As on 21.06.2019	Argentina	Brazil	US	India
FOB	181.00	182.5	206.22	315.95
C&F	231.00	237.50	266.22	350.95

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

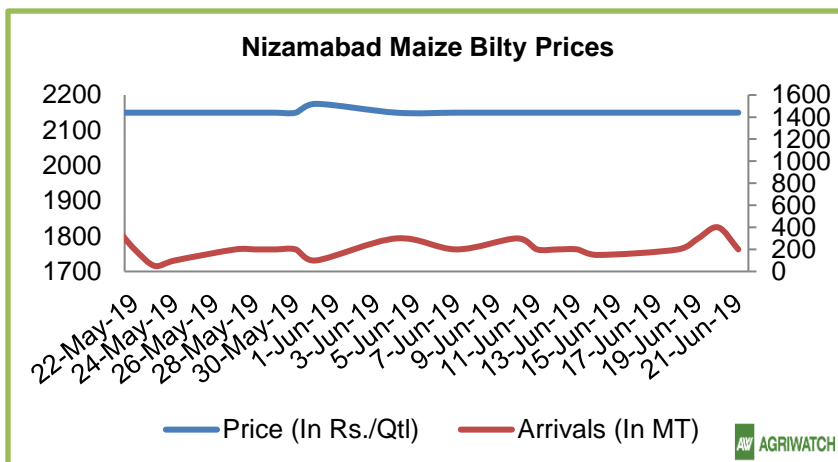
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2250 per quintal. In Gulabghat region of Bihar, maize (Bilty) is trading at Rs.1950 per quintal.

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:

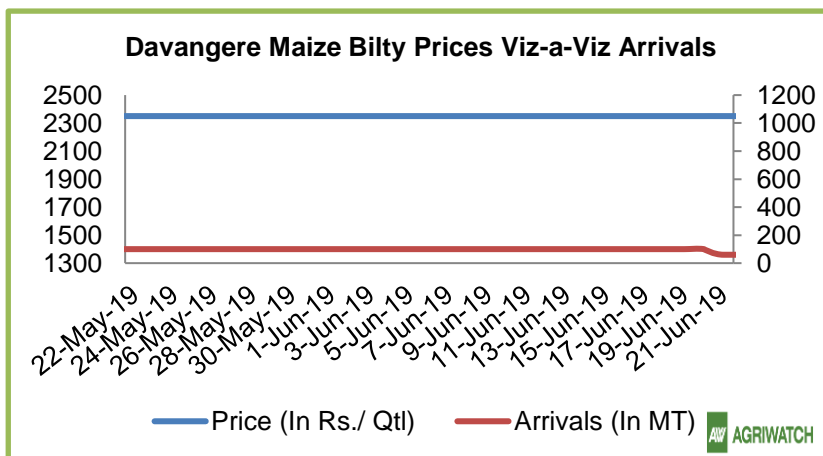
TELANGANA:

- In Nizamabad region, maize is likely to trade steady to slightly firm as arrival pressure has reduced. In Nizamabad, maize is moving towards Hyderabad at Rs. 2250 per quintal.



KARNATAKA:

- In Karnataka, farmers are likely to shift from cotton, groundnut, tur and sugarcane to maize. As maize traded higher than MSP and it is Photo-insensitive crop; farmers are likely to sow more maize during kharif season. In Karnataka region, maize is likely to trade steady to slightly firm in the near term.



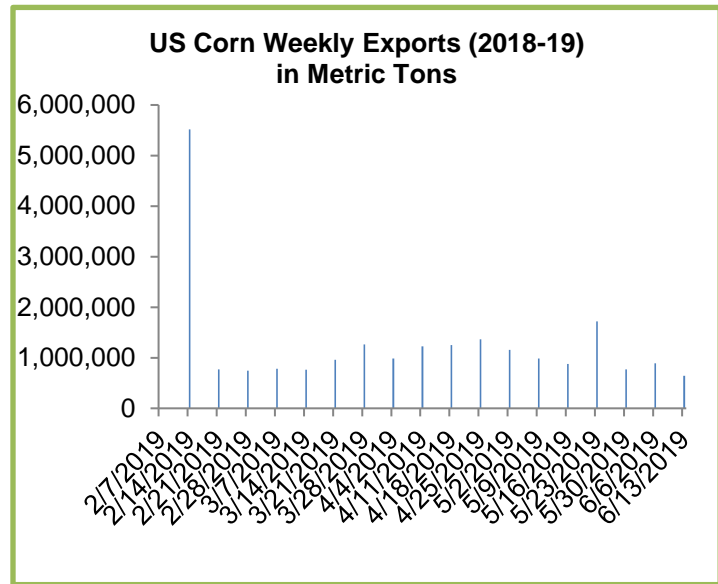
DOMESTIC MAIZE OUTLOOK:

Prices of standard quality maize are likely to be steady to firm as arrival pressure has reduced. Besides, feed makers' demand could also support to maize prices.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports reached 41.90 MMT in the 2018-19 marketing year. At 0.64 MMT (for the period 7th June- 13th Jun, 2019) US corn exports were down 28 percent from the previous week and 40 percent from the previous 4-week average; mainly for the destination like Mexico (266,800 MT), Japan (155,900 MT), Saudi Arabia (68,700 MT), Honduras (39,200 MT), and Taiwan (38,400 MT).

In U.S, corn planting has been 92% as of 16th June, 2019, which is lower by 8% compared to previous year and last 5 year average period. It has been emerged 79% as of 16th June, 2019 which is lower by 18% compared to previous year and last 5 year average period. 59% crop of Corn is in good to excellent condition.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 3.15 USD/MT to 177.16 USD/MT for July'19 contract compared to last week. However, forecast of dry weather and low export demand for U.S corn could weigh on market sentiments.

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (Bilty) prices are likely to trade at Rs.2330-2370 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	20-Jun-19	13-Jun-19	20-May-19	20-Jun-18	20-Jun-17
Gulabghagh	Bilty	1950	1750	1900	1140	1280
Delhi	Hybrid Maize (U.P.)	2000	1850	2050	1300	NA
Davangere	Bilty Price	2350	2350	2350	1300	NA
Shimoga	Bilty	NA	NA	2250	1380	1600
Ranebennur	Bilty	2350	2300	2350	1300	1580
Bagalkot	Hybrid/Local	2100	2172	2200	1321	1520
Gadag	Local	NA	2066	2160	1225	1309
Nizamabad	Bilty	2150	2150	2150	1350	1540
Khanna	Bilty	2025	1970	2100	1310	1250
Sangli	Feed	2414	2293	2375	NA	1660
Ahmedabad	Feed	2150	1980	2250	1350	1480
	Starch	2200	1900	2210	1350	1490

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	20-Jun-19	13-Jun-19	Change
Corn CBOT Prices	Jul-19	177.16	174.01	3.15
	Sep-19	179.03	176.27	2.76
	Dec-19	181.49	179.42	2.07
	Mar-20	183.55	181.49	2.06
	May-20	184.24	182.18	2.06

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