



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 and Karnataka 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, MMTC, Indian state-run trading company, has postponed for the seventh time a deadline for offer submissions in an international tender to import yellow corn, this time to June 27.

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.

RECOMMENDATION:

Weekly Call - : In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2350-2400 per quintal for the week.

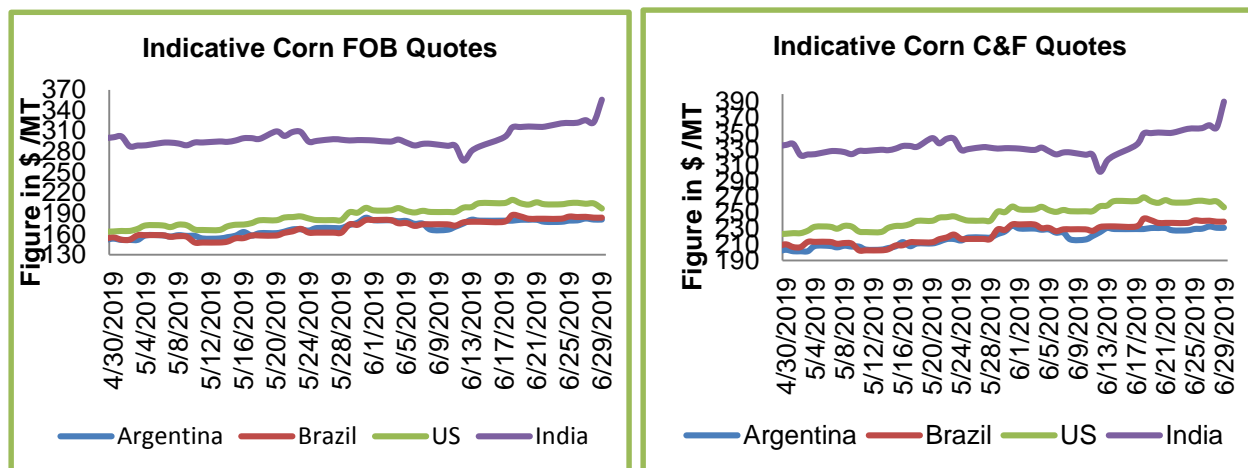
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT down by 3.94 USD/MT to 173.22 USD/MT for July'19 contract compared to previous week as USDA pegged U.S. planted acres above than trade expectations despite rains and flooding this spring.

At 0.696 MMT (for the period 14th June- 20th Jun, 2019) US corn exports were up 9 percent from the previous week but down 31 percent from the previous 4-week average; mainly for the destination like Japan (241,900 MT), Mexico (197,200 MT), Colombia (63,800 MT), China (61,600 MT), and Costa Rica (30,300 MT).

In U.S, corn planting has been 96% as of 23rd June, 2019, which is lower by 4% compared to previous year and last 5 year average period. It has been emerged 89% as of 23rd June, 2019 which is lower by 11% compared to previous year and 10.10% lower by last 5 year average period. 56% crop of Corn is in good to excellent condition, down from 59% previous week.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.63)				
As on 29.06.2019	Argentina	Brazil	US	India
FOB	181.30	184.10	197.17	355.37
C&F	231.30	239.10	257.17	390.37

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

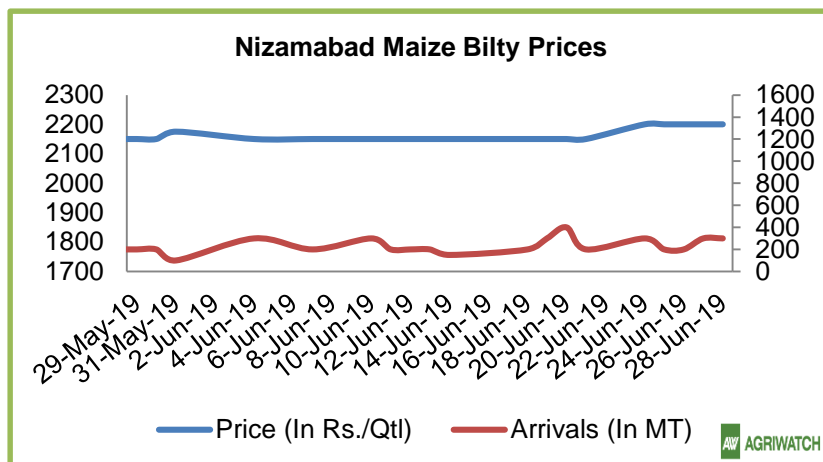
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2300 per quintal. In Gulabgh region of Bihar, maize (Bilty) is trading at Rs.2150-2200 per quintal. Maize is moving towards Bangalore at Rs. 2480 per quintal and Chennai at Rs. 2500 per quintal; sourced from Davangere region of Karnataka.

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:

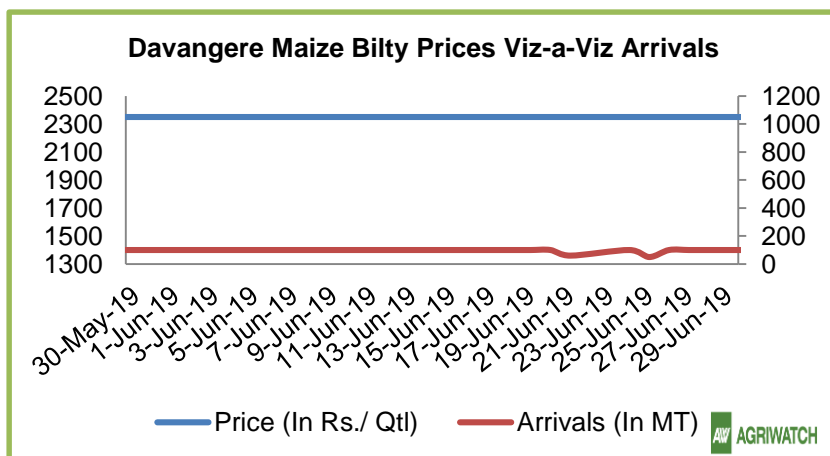
TELANGANA:

- 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. 2300 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.
- Maize is moving towards Bangalore at Rs. 2480 per quintal and Chennai at Rs. 2500 per quintal; sourced from Davangere region of Karnataka. In Karnataka region, maize is likely to trade steady to slightly firm in the near term.



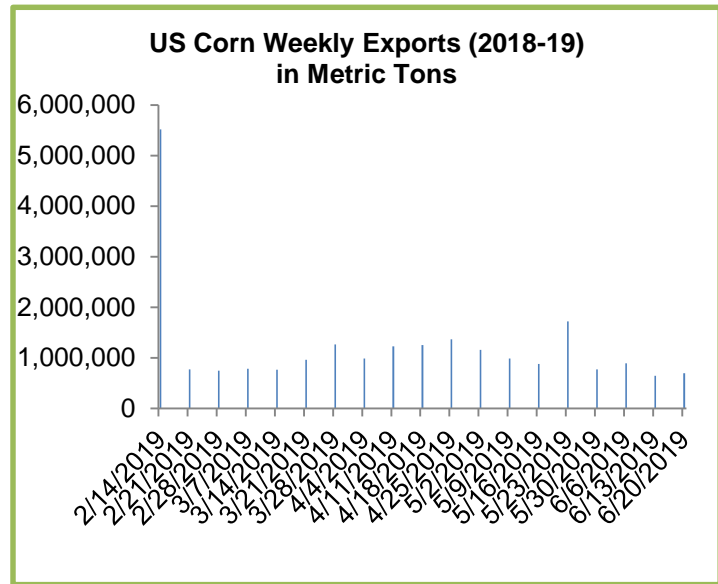
DOMESTIC MAIZE OUTLOOK:

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 42.60 MMT in the 2018-19 marketing year. At 0.696 MMT (for the period 14th June-20th Jun, 2019) US corn exports were up 9 percent from the previous week but down 31 percent from the previous 4-week average; mainly for the destination like Japan (241,900 MT), Mexico (197,200 MT), Colombia (63,800 MT), China (61,600 MT), and Costa Rica (30,300 MT).

In U.S, corn planting has been 96% as of 23rd June, 2019, which is lower by 4% compared to previous year and last 5 year average period. It has been emerged 89% as of 23rd June, 2019 which is lower by 11% compared to previous year and 10.10% lower by last 5 year average period. 56% crop of Corn is in good to excellent condition, down from 59% previous week.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT down by 3.94 USD/MT to 173.22 USD/MT for July'19 contract compared to previous week as USDA pegged U.S. planted acres above than trade expectations despite rains and flooding this spring.

DAVANGERE MARKET ANALYSIS: MAIZE


In Davangere cash market, maize (Bilty) prices are likely to trade at Rs.2350-2400 per quintal for the week.

ANNEXURE
MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	27-Jun-19	20-Jun-19	27-May-19	27-Jun-18	27-Jun-17
Gulabbagh	Bilty	2000	1950	1820	1140	1280
Delhi	Hybrid Maize (U.P.)	2000	2000	2000	1225	NA
Davangere	Bilty Price	2350	2350	2350	1300	NA
Shimoga	Bilty	NA	NA	2250	1400	1620
Ranebennur	Bilty	2350	2300	2350	NA	1610
Bagalkot	Hybrid/Local	NA	2100	2203	1251	1556
Gadag	Local	NA	NA	1940	1179	1304
Nizamabad	Bilty	2200	2150	2150	1350	NA
Khanna	Bilty	1980	2025	2080	1260	1250
Sangli	Feed	2477	2414	2348	NA	1683
Ahmedabad	Feed	2160	2150	2160	1360	1500
	Starch	2200	2200	2160	1375	1505

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	27-Jun-19	20-Jun-19	Change
Corn CBOT Prices	Jul-19	173.22	177.16	-3.94
	Sep-19	175.48	179.03	-3.55
	Dec-19	177.55	181.49	-3.94
	Mar-20	179.81	183.55	-3.74
	May-20	180.31	184.24	-3.93

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