

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.

The Government has given its approval to increase the MSP of Maize by Rs. 60 per quintal to Rs. 1760 per quintal for kharif season of 2019-20.

SOWING COVERAGE:

In India, maize has been sown in around 21.06 lakh hectares as on 05th July'19 which is lower than 30.96 lakh hectare covered during corresponding period last year. In Telangana, it has been sown in 0.89 lakh hectare which is lower than 0.96 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 2.19 lakh hectare which is lower than 7.17 lakh hectare covered during corresponding period last year. In A.P, maize has been sown in around 0.06 lakh hectares as on 5th July'19 which is lower than 0.27 lakh hectare covered during corresponding period last year. Maize crops are at sowing to vegetative stage. However, in Rajasthan, maize has been sown in around 6.79 lakh hectares which is higher than 2.69 lakh hectares covered during corresponding period last year.

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

RECOMMENDATION:

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

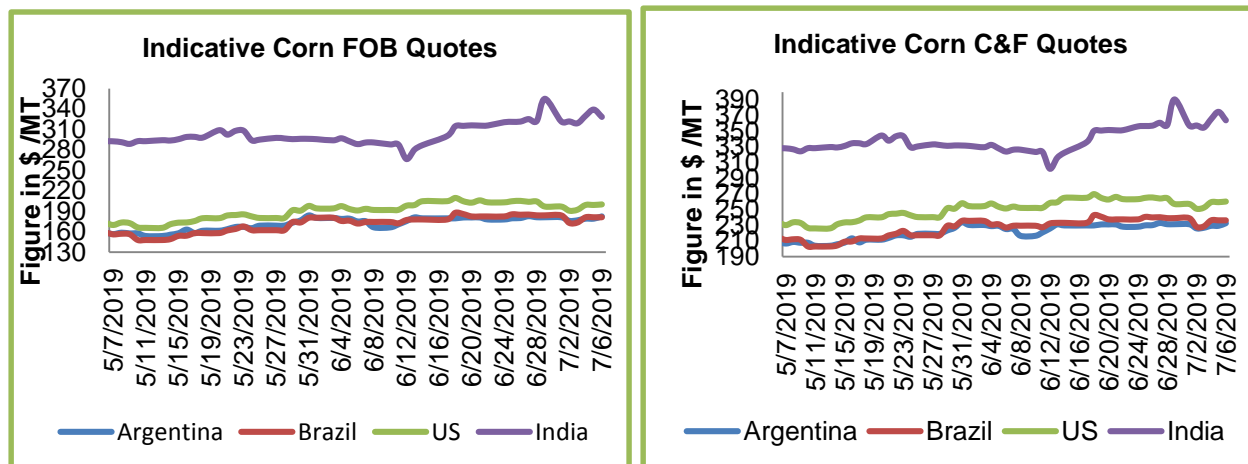
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 5.41 USD/MT to 170.86 USD/MT for July'19 contract compared to previous week on the concern over yield loss on the forecasts for hot and dry weather following recent unfavorable conditions.

At 0.29 MMT (for the period 21st June- 27th Jun, 2019) US corn exports were down 58 percent from the previous week and 61 percent from the previous 4-week average; mainly for the destination like Mexico (180,200 MT), Guatemala (27,100 MT), the Dominican Republic (19,600 MT), Canada (15,800 MT), and Colombia (13,900 MT).

In U.S, corn has been emerged 94% as of 30th June, 2019 which is lower by 6% compared to previous year and last 5 year average period. 56% crop of Corn is in good to excellent condition which is same compared to previous week.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 68.45)				
As on 06.07.2019	Argentina	Brazil	US	India
FOB	182.58	181.30	200.30	328.71
C&F	232.58	236.30	260.30	363.71

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.

EXPORTS FOR THE MONTH OF MAY'19

As per trade sources, India exported around 35,016 MT of maize for the month of May'19 at an average FoB of \$288.95/ MT. Indian maize is exported mainly to Nepal mainly through Raxaul followed by Jogbani ICD and Sonauli ICD port.

TRADE SCENARIO

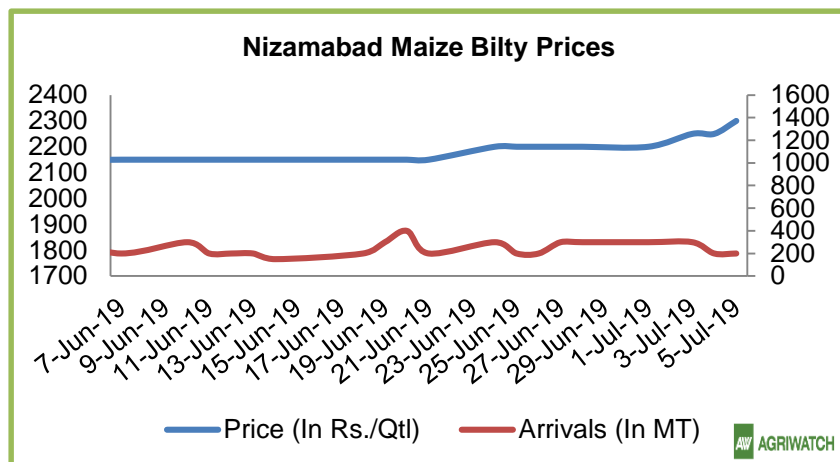
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2425 per quintal. In Gulabghat region of Bihar, maize (Bilty) is trading at Rs.2200 per quintal. Bangalore, Nammakal, Chitradurga, Pune and Mysore feed makers' demand has shifted towards Bihar.

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:

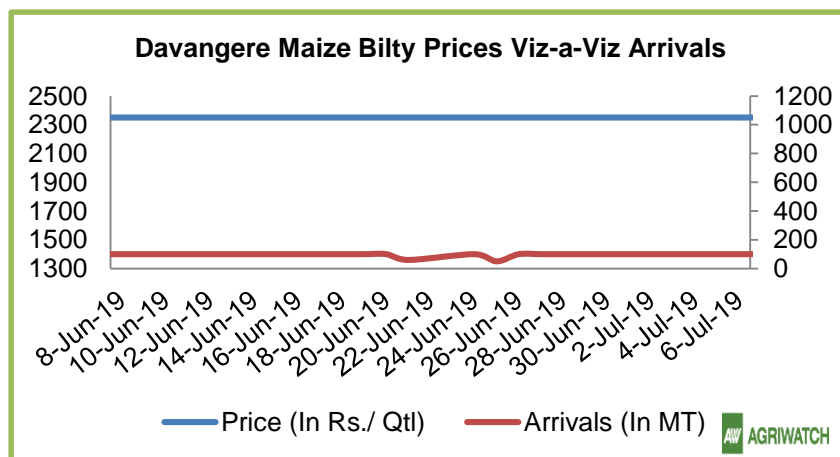
TELANGANA:

- In Nizamabad region, maize is likely to trade steady to slightly firm as arrival pressure has reduced. In Nizamabad, maize is moving towards Hyderabad at Rs. 2425 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.



- Bangalore, Nammakal and Chitradurga feed makers' demand has shifted towards Bihar.

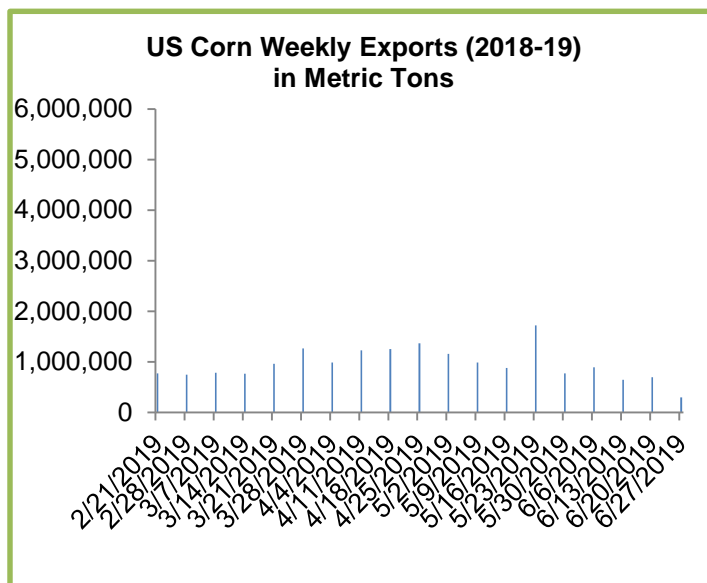
DOMESTIC MAIZE OUTLOOK:

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 42.89 MMT in the 2018-19 marketing year. At 0.29 MMT (for the period 21st June- 27th Jun, 2019) US corn exports were down 58 percent from the previous week and 61 percent from the previous 4-week average; mainly for the destination like Mexico (180,200 MT), Guatemala (27,100 MT), the Dominican Republic (19,600 MT), Canada (15,800 MT), and Colombia (13,900 MT).

In U.S, corn has been emerged 94% as of 30th June, 2019 which is lower by 6% compared to previous year and last 5 year average period. 56% crop of Corn is in good to excellent condition which is same compared to previous week.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 5.41 USD/MT to 170.86 USD/MT for July'19 contract compared to previous week on the concern over yield loss on the forecasts for hot and dry weather following recent unfavorable conditions.

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	5-Jul-19	28-Jun-19	5-Jun-19	5-Jul-18	5-Jul-17
Gulabbagh	Bilty	2200	2150	1780	1100	1360
Delhi	Hybrid Maize (U.P.)	2050	2050	1900	1225	NA
Davangere	Bilty Price	2350	2350	Closed	1300	NA
Shimoga	Bilty	2550	NA	NA	1400	1620
Ranebennur	Bilty	2350	2350	Closed	1250	1600
Bagalkot	Hybrid/Local	NA	NA	2186	1270	1541
Gadag	Local	2200	NA	NA	1180	1369
Nizamabad	Bilty	2300	2200	2150	1350	NA
Khanna	Bilty	2080	1950	1980	1260	1250
Sangli	Feed	2570	2486	2322	1462	1700
Ahmedabad	Feed	2170	2160	2060	1370	1470
	Starch	2200	2200	2000	1380	1470



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	05-July-19	28-Jun-19	Change
Corn CBOT Prices	Jul-19	170.86	165.45	5.41
	Sep-19	172.73	167.22	5.51
	Dec-19	174.11	169.87	4.24
	Mar-20	176.76	173.02	3.74
	May-20	178.14	174.4	3.74

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