



Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded mixed during the week and is expected to trade above MSP in near term as arrival pressure has reduced and new crop would not come before the month of October. However, India has allowed another 4 lakh tonnes; total 5 lakh tonnes Non GM maize under TRQ @ 15% duty for the financial year 2019-20; starting from April 1 but as imports are also not expected to arrive before the mid of September it would trade above amid high feed makers demand and low carryover stock.

As per media report, MMTC, Indian state-run trading company, has issued another international tender to import yellow corn. The volume of purchase is not decided yet but minimum offers are 24,000 tonnes to 25,000 tonnes. The tender closes on July 30 and offers must remain valid until Aug. 12. The MMTC is asking for offers of corn for the shipment between August 1-31, September 1-30 and October 1-31.

SOWING COVERAGE:

In India, maize has been sown in around 55.11 lakh hectares as on 17th July'19 which is lower than 55.50 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 6.19 lakh hectare which is lower than 9.20 lakh hectare covered during corresponding period last year. In A.P, maize has been sown in around 0.30 lakh hectares as on 17th July'19 which is lower than 0.45 lakh hectare covered during corresponding period last year. Maize crops are at sowing to vegetative stage. In Telangana, it has been sown in 2.47 lakh hectare as on 17th July'19 which is lower than 3.14 lakh hectare covered during corresponding period last year. However, in M.P, maize has been sown in around 12.84 lakh hectares which is higher than 10.74 lakh hectares covered during corresponding period last year. In Rajasthan, maize has been sown in around 8.44 lakh hectares which is higher than 8.04 lakh hectares covered during corresponding period last year.

RECOMMENDATION:

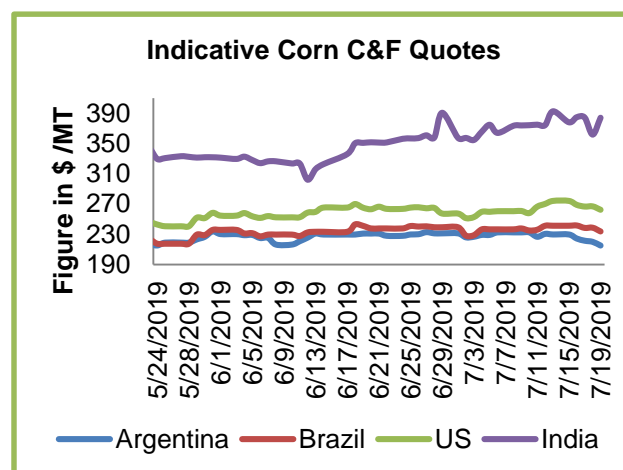
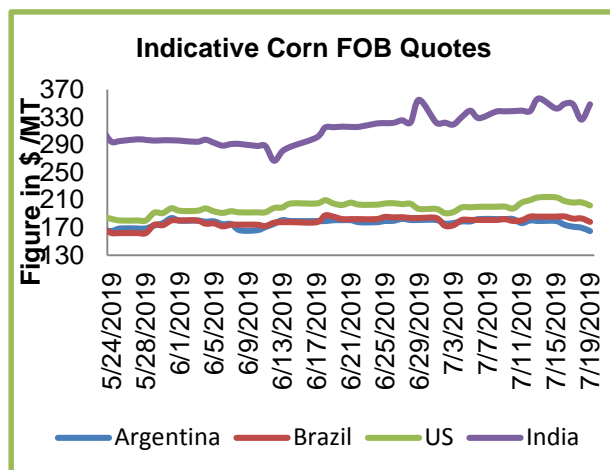
Weekly Call - : In Davangere cash market, maize (Bilty) prices are likely to trade at Rs. 2350-2400 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

At 0.68 MMT (for the period 05th July- 11th July, 2019) US corn exports were down 40 percent from the previous week and 1 percent from the previous 4-week average; mainly for the destination like Mexico (302,800 MT), Japan (143,300 MT), Colombia (63,800 MT), South Korea (60,000 MT), and Guatemala (30,600 MT).

In U.S, Corn has been silked 17% as of 14th July, 2019 which is lower by 42% compared to last year and 25% from last 5 year average period. 58% crop of Corn is in good to excellent condition which is up by 1% compared to previous week.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 68.81)				
As on 19.07.2019	Argentina	Brazil	US	India
FOB	165.16	178.50	202.17	348.79
C&F	215.16	233.50	262.17	383.79

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.

IMPORTS FOR THE MONTH OF MAY'19

As per trade sources, India imported around 74,378 MT of maize for the month of May'19. Out of which, around 72,225 MT was imported from Ukraine for the Kandla port at an average value of \$203.28/ MT.

TRADE SCENARIO

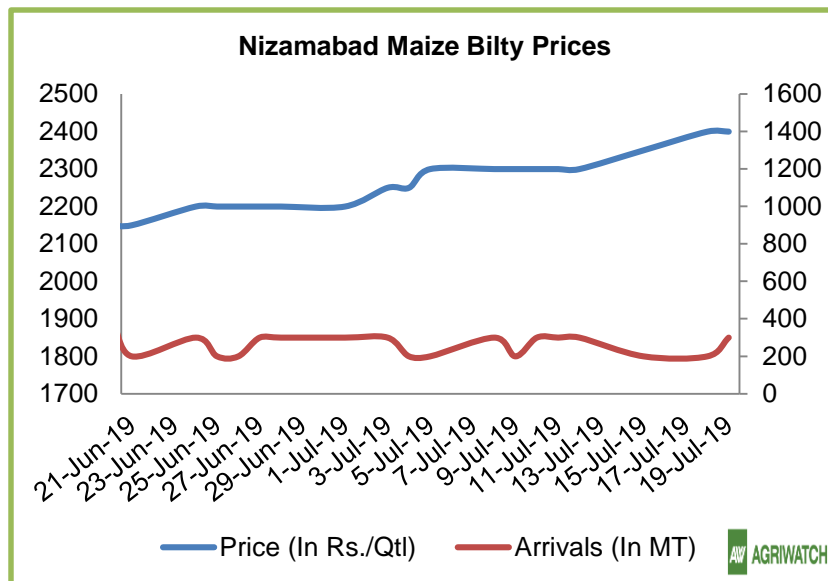
From the trade point of view, In Nizamabad, maize is moving towards Hyderabad at Rs. 2550 per quintal. In Gulabgh region of Bihar, maize (Bilty) is trading at Rs.2150 per quintal. Bangalore, Nammakal, Chitradurga, Pune and Mysore feed makers' demand has shifted towards Bihar.

CURRENT MARKET DYNAMICS:

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

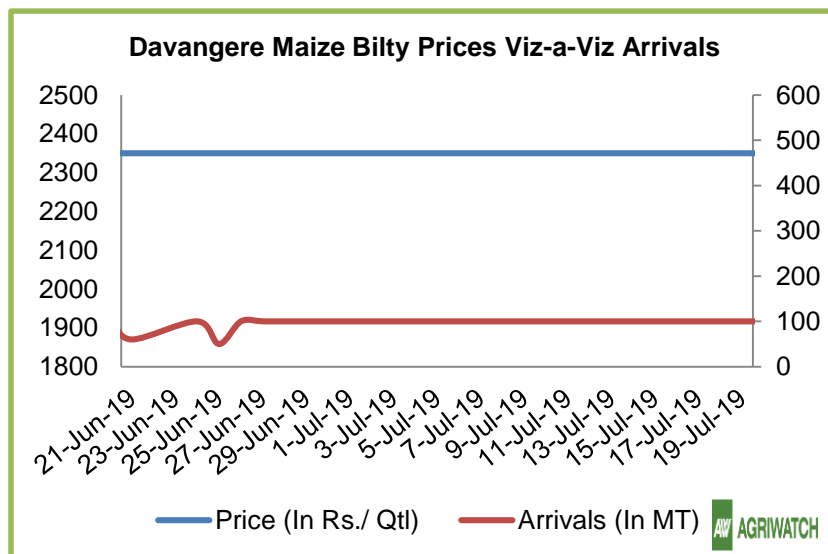
TELANGANA:

- In Nizamabad region, maize is likely to trade steady to slightly firm as arrival pressure has reduced. As per trade source, in Nizamabad, stock of maize could be around 5000 MT which was 8000 MT during corresponding period last year. Maize is moving towards Hyderabad at Rs. 2550 per quintal; sourced from Nizamabad.



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.



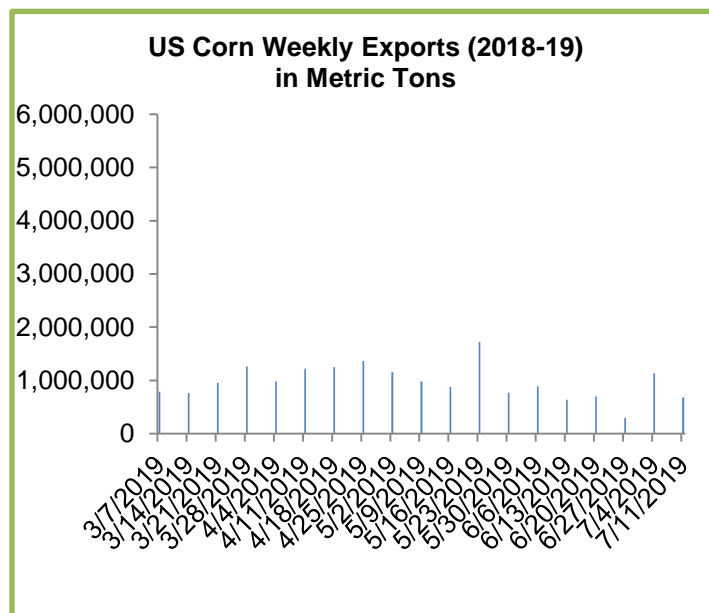
DOMESTIC MAIZE OUTLOOK:

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 44.71 MMT in the 2018-19 marketing year. At 0.68 MMT (for the period 05th July- 11th July, 2019) US corn exports were down 40 percent from the previous week and 1 percent from the previous 4-week average; mainly for the destination like Mexico (302,800 MT), Japan (143,300 MT), Colombia (63,800 MT), South Korea (60,000 MT), and Guatemala (30,600 MT).

In U.S, Corn has been silked 17% as of 14th July, 2019 which is lower by 42% compared to last year and 25% from last 5 year average period. 58% crop of Corn is in good to excellent condition which is up by 1% compared to previous week.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 9.25 USD/MT to 169.58 USD/MT for September'19 contract compared to previous week due to decrease in export demand for U.S corn. Besides, cooler weather across the U.S. Midwest also weighing on market sentiments.

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	18-Jul-19	11-Jul-19	18-Jun-19	18-Jul-18	18-Jul-17
Gulabghagh	Bilty	2000	2200	1950	1175	1340
Delhi	Hybrid Maize (U.P.)	2075	2100	2000	1300	1350
Davangere	Bilty Price	2350	2350	2350	1350	1850
Shimoga	Bilty	NA	2580	NA	1400	NA
Ranebennur	Bilty	2350	2350	2300	1285	1730
Bagalkot	Hybrid/Local	2262	2130	NA	1328	1621
Gadag	Local	NA	2130	NA	1159	NA
Nizamabad	Bilty	2400	2300	2150	1330	1600
Khanna	Bilty	2060	NA	1940	1310	1310
Sangli	Feed	2531	2500	2350	1536	1702
Ahmedabad	Feed	2250	2270	2060	1440	1460
	Starch	2300	2300	2050	1415	1430

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	19-July-19	12-July-19	Change
Corn CBOT Prices	Sep-19	169.58	178.83	-9.25
	Dec-19	171.55	180.80	-9.25
	Mar-20	174.8	183.06	-8.26
	May-20	176.37	183.75	-7.38
	July-20	177.65	-	-

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