



Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Maize cash markets traded mixed compared to previous week, amid limited trade activities. Agriwatch expects that maize would trade steady to range bound during the week amid limited demand and supply.

MAIZE TRADE SCENARIO

In Bihar, despite the export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1225 per quintal (Bilty Price). In U.P and Punjab, feed makers are buying maize at Rs.1300 per quintal and Rs.1350 per quintal respectively; sourced from Naugachia region of Bihar. While, Hyderabad poultry feed makers are buying maize at Rs. 1450-1500 per quintal; sourced from Nizamabad region.

STATE WISE KHARIF SOWING COVERAGE

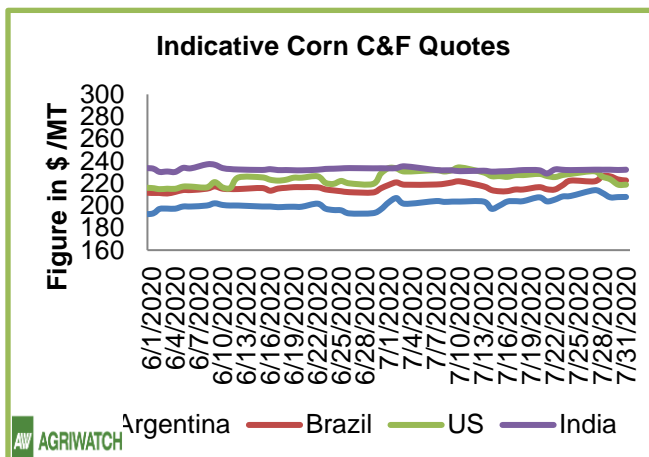
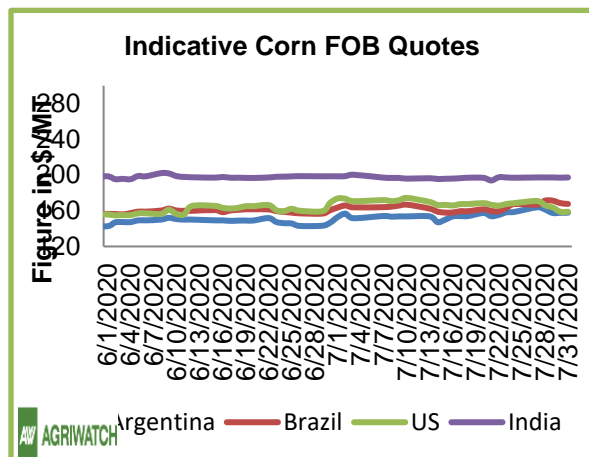
In India, maize has been sown in 74.30 lakh hectares as of 31st July'20 which is higher than 72.58 lakh hectares of the corresponding period last year. Maize sown area is 99.5% of normal area. Agriwatch expects maize sown area at 82.24 lakh hectares for the Kharif season 2020-21 which is above than normal area of 74.7 lakh hectares but less than last year area of 82.44 lakh hectares. In M.P, maize has been sown in 14.84 lakh hectares as of 31st July'20; higher than 14.13 lakh hectares compared to corresponding period last year. In Maharashtra, it has been sown in 8.28 lakh hectares; higher than 7.36 lakh hectares compared to corresponding period last year. In Rajasthan, it has been sown in 9.00 lakh hectares; higher than 8.61 lakh hectares compared to corresponding period last year.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fell by 4.04 USD/MT to 124.40 USD/MT for September'20 contract compared to previous week. Expectation of increase in export demand in coming weeks for U.S corn would support to CBOT corn market. However, expectation of larger yield due to favorable weather conditions in U.S could limit the gain.

At 0.97 MMT (for the period 17th- 23rd July, 2020) US corn exports were down 8 percent from the previous week and 15 percent from the previous 4-week average; mainly for the destinations like Mexico (360,800 MT), Japan (355,100 MT), China (67,900 MT), Guatemala (66,500 MT), and Colombia (58,800 MT).

EXPORT PARITY TREND



| Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 74.77) | | | | |
|--|-----------|--------|--------|--------|
| As on 31.07.2020 | Argentina | Brazil | US | India |
| FOB | 157.78 | 167.60 | 158.82 | 197.28 |
| C&F | 207.78 | 222.60 | 218.82 | 232.28 |

As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed.

EXPORTS FOR THE MONTH OF JUNE'20

As per trade sources, India exported around 1,12,867 MT of maize for the month of Jun'20 at an average FoB of \$187.79/ MT, out of which, 58,067 MT Indian maize was exported to Nepal at an average FoB of \$182.49/MT and around 49,406 MT was exported to Bangladesh at an average FoB of \$190.95/MT.

IMPORTS FOR THE MONTH OF JUNE'20

As per trade sources, Imports for the month of June'20 were nil due to low prevailing maize prices in Indian markets.

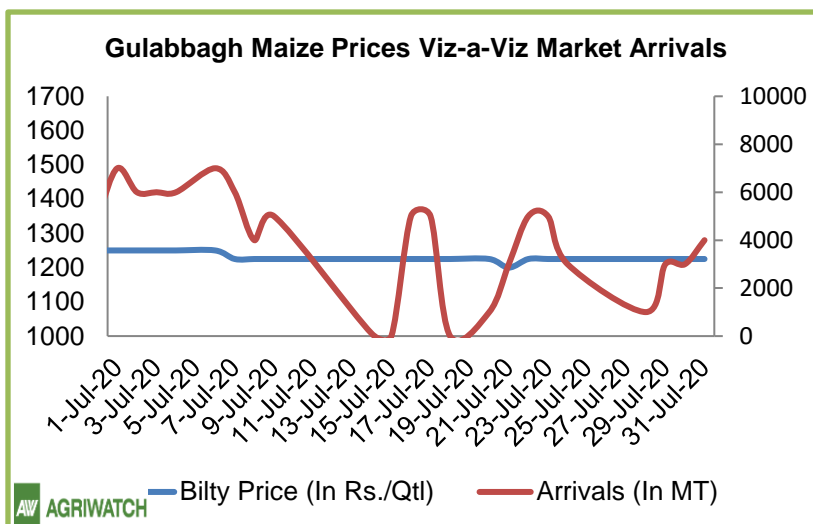
India has authorized imports of 5 lakh ton Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users for the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand destruction from poultry feed industry on the fear of corona virus. But it could limit the firmness in long run.

CURRENT MARKET DYNAMICS:

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

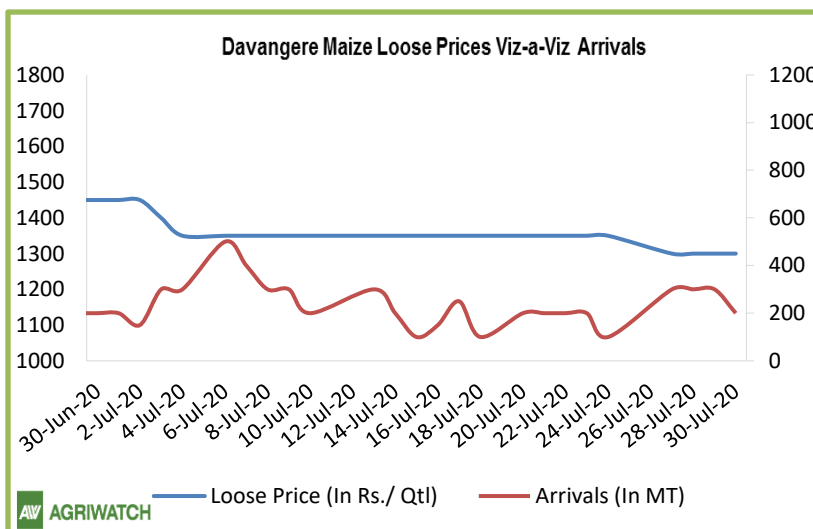
GULABBAGH:

- In Bihar, despite the export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1225 per quintal (Bilty Price). Heavy rains for last four weeks has affected the arrival quality. It is expected that maize would trade steady to range bound and stay in the range of Rs. 1220-1300 per quintal for the week amid limited demand and arrival.



KARNATAKA:

- In Karnataka, harvesting of rabi crop of maize has been completed while Kharif acreage is likely to be slightly higher than last year as farmers prefer less labour intensive crops. It is likely to trade steady to range bound in near term amid limited demand and arrivals.



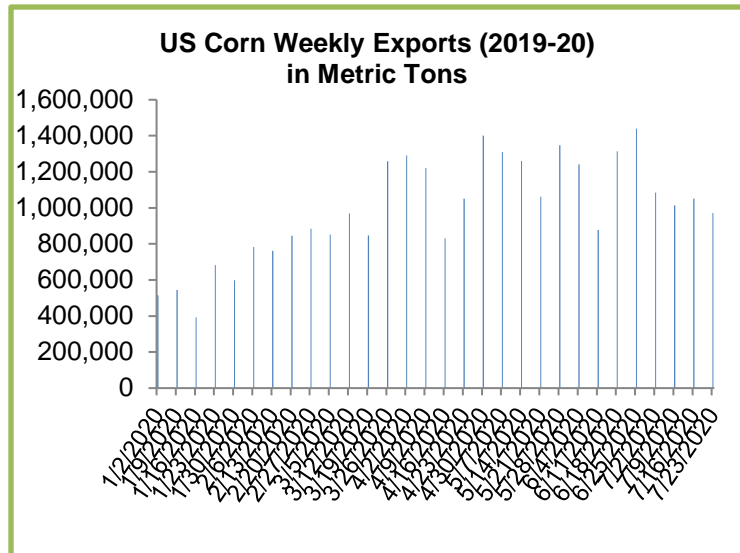
DOMESTIC MAIZE OUTLOOK:

Prices of maize are likely to be steady to range bound in near term amid limited demand and supply.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports has reached 38 MMT in the 2019-20 marketing year. At 0.97 MMT (for the period 17th- 23rd July, 2020) US corn exports were down 8 percent from the previous week and 15 percent from the previous 4-week average; mainly for the destinations like Mexico (360,800 MT), Japan (355,100 MT), China (67,900 MT), Guatemala (66,500 MT), and Colombia (58,800 MT). However, Agriwatch expects increase in export demand in coming weeks for U.S corn which would support to CBOT corn market.

In U.S, 72% crop of corn is in good to excellent condition as of 26th July'20, up 3 percentage points from last week.



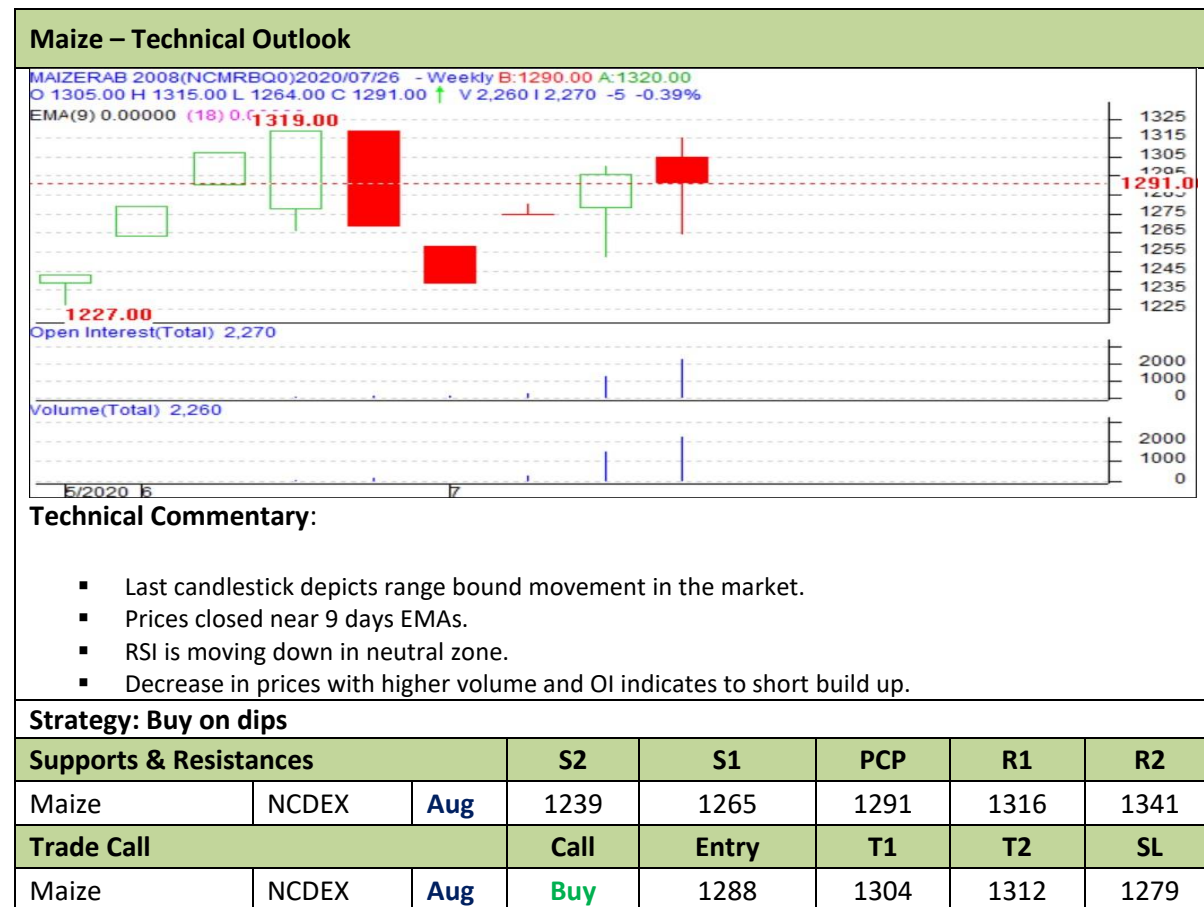
PREVIOUS UPDATES

IGC decreased its global corn production forecast for 2020/21 by 5 MMT to 1164 MMT compared to previous month's forecast. However, forecast for global corn ending stock was kept unchanged at 288 MMT for 2020/21, same as last month's forecast.

Corn ending stock estimates for U.S decreased by 17.15 MMT to 67.26 MMT for 2020/21 compared to last month estimates due to decrease in production estimates while for Ukraine, it kept unchanged its corn ending stock estimates at 1.56 MMT for 2020/21. For Argentina, it decreased its corn ending stock estimates by 1.00 MMT to 2.88 MMT compared to previous month while for Brazil, it increased its corn ending stock estimates by 1.10 MMT to 7.99 MMT compared to previous month estimates.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fell by 4.04 USD/MT to 124.40 USD/MT for September'20 contract compared to previous week. Expectation of increase in export demand in coming weeks for U.S corn would support to CBOT corn market. However, expectation of larger yield due to favorable weather conditions in U.S could limit the gain.

MAIZE WEEKLY FUTURE PRICE CHART
Commodity: Maize
Contract: Aug
Exchange: NCDEX
Expiry: Aug 20th, 2020




ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

| Maize(Corn)Weekly Prices: | | | | | | |
|---------------------------|---------------------|-----------|-----------|-----------|-----------|-----------|
| Market | Grade | 31-Jul-20 | 24-Jul-20 | 30-Jun-20 | 31-Jul-19 | 31-Jul-18 |
| Gulabbagh | Bilty | 1225 | 1225 | 1250 | 2150 | 1200 |
| Delhi | Hybrid Maize (U.P.) | 1250 | 1200 | 1375 | 2125 | 1350 |
| Davangere | Loose | 1300 | 1350 | 1450 | NR | 1300 |
| Shimoga | Bilty | 1350 | NR | NR | NR | 1360 |
| Ranebennur | Bilty | NR | 1390 | NR | 2350 | 1450 |
| Bagalkot | Hybrid/Local | 1275 | NR | NR | NR | 1320 |
| Gadag | Local | NR | 1340 | 1515 | NR | 1444 |
| Nizamabad | Bilty | 1370 | 1375 | 1375 | 2425 | NR |
| Khanna | Bilty | 1120 | 1100 | 1100 | 1880 | 1250 |
| Sangli | Feed | NR | 1462 | 1535 | 2544 | 1531 |
| Ahmedabad | Feed | 1350 | 1300 | 1380 | 2300 | 1460 |
| | Starch | 1350 | 1300 | 1440 | 2300 | 1460 |

| Maize CBOT Weekly Futures Price Listing (USD/Ton) | | | | |
|---|----------------|------------|------------|--------|
| | Contract Month | 31-July-20 | 24-July-20 | Change |
| Corn CBOT Prices | Sep-20 | 124.40 | 128.44 | -4.04 |
| | Dec-20 | 128.73 | 131.88 | -3.15 |
| | Mar-21 | 133.16 | 136.21 | -3.05 |
| | May-21 | 136.21 | 138.97 | -2.76 |
| | July-21 | 138.67 | 141.14 | -2.47 |

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