

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to range bound compared to previous week, amid limited trade activities. Agriwatch expects that maize would trade steady to slightly firm in near term on the expectation of decrease in arrivals from Bihar. However, Government release by A.P at subsidized rates to poultry feed makers could limit the gains.

Nizamabad maize cash market has been closed since 1st Aug, 2020 due to lockdown and is expected to reopen from 17th Aug, 2020. In Nizamabad, maize was last traded at Rs. 1370 per quintal on 31st July, 2020.

MAIZE TRADE SCENARIO

In Bihar, despite the export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1250 per quintal (Bilty Price). In U.P and Punjab, feed makers are buying maize at Rs.1260 per quintal and Rs. 1360 per quintal respectively; sourced from Naugachia region of Bihar.

STATE WISE KHARIF SOWING COVERAGE

In India, maize has been sown in 75.88 lakh hectares as of 7th Aug'20, 101.58% 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 Maharashtra, it has been sown in 8.40 lakh hectares; higher than 7.92 lakh hectares compared to corresponding period last year. In Rajasthan, it has been sown in 9.15 lakh hectares; higher than 8.80 lakh hectares compared to corresponding period last year. However, In M.P, maize has been sown in 14.95 lakh hectares as of 7th Aug'20; lower than 15.26 lakh hectares compared to corresponding period last year.

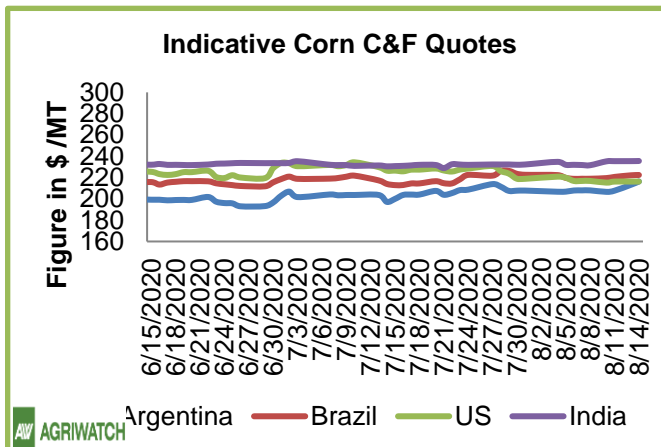
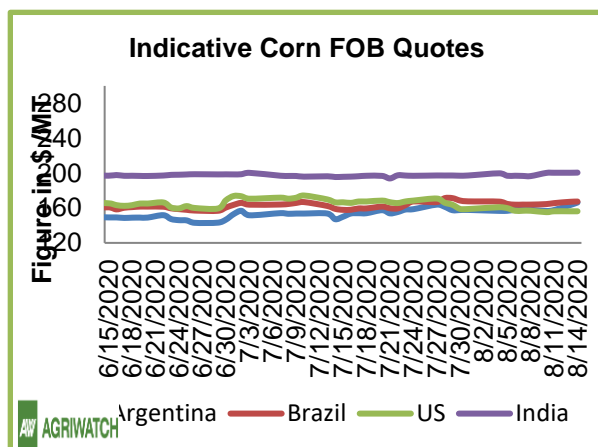
PRELIMINARY ESTIMATE OF KHARIF PRODUCTION

As per preliminary estimates for 2020-21, Agriwatch expects maize production for this Kharif season at 18.44 MMT with the expected yield of 2.24 MT/ hectare.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 6.89 USD/MT to 128.05 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 1.33 MMT (for the period 31st July- 6th Aug, 2020) US corn exports were up 95 percent from the previous week and 43 percent from the previous 4-week average; mainly for the destinations like China (396,600 MT), Mexico (225,800 MT), Colombia (167,300 MT), Japan (163,900 MT), and South Korea (125,100 MT).

EXPORT PARITY TREND


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 74.79)				
As on 14.08.2020	Argentina	Brazil	US	India
FOB	166.30	167.40	156.23	200.56
C&F	216.30	222.40	216.23	235.56

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

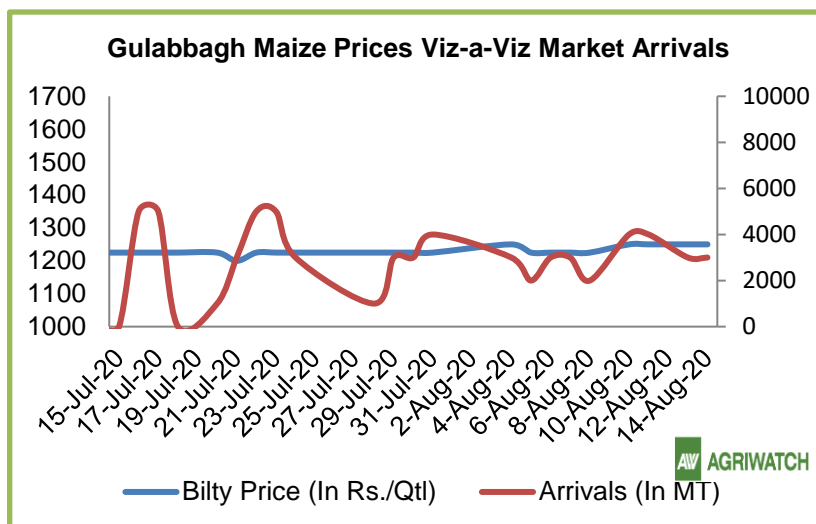
India has authorized imports of 5 lakh ton Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users for the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand destruction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

CURRENT MARKET DYNAMICS:

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

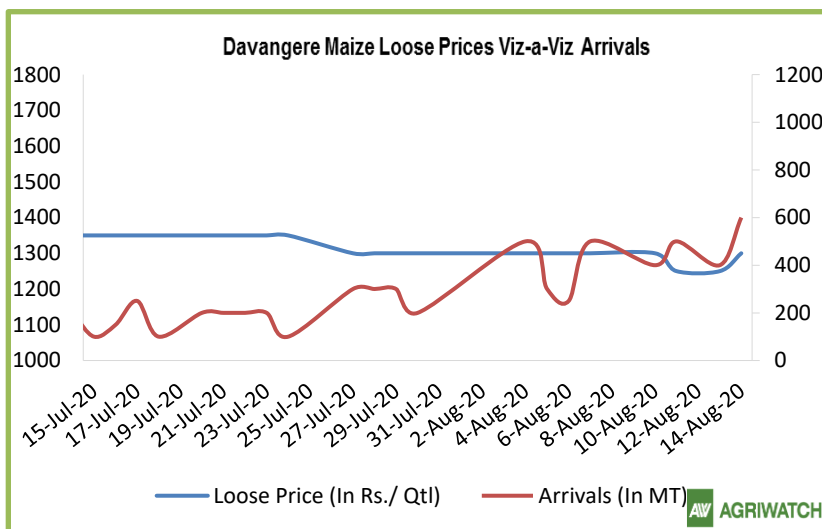
GULABBAGH:

- In Bihar, despite the export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1250 per quintal (Bilty Price). It is expected that maize would trade steady to slightly firm and stay in the range of Rs. 1250-1330 per quintal for the week on the expectation of decrease in arrivals.



KARNATAKA:

- In Karnataka, 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:

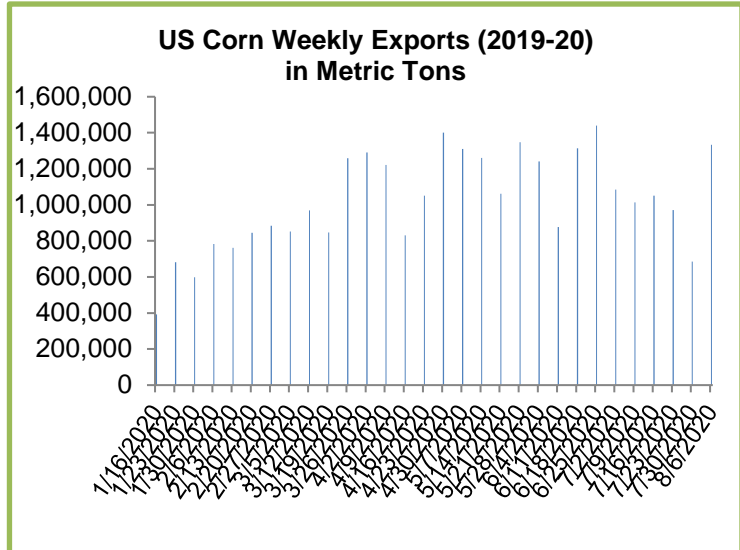
Prices of maize are likely to be steady to slightly firm in near term on the expectation of decrease in arrivals amid steady feed makers' demand.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports have reached 40.02 MMT in the 2019-20 marketing year. At 1.33 MMT (for the period 31st July- 6th Aug, 2020) US corn exports were up 95 percent from the previous week and 43 percent from the previous 4-week average; mainly for the destinations like China (396,600 MT), Mexico (225,800 MT), Colombia (167,300 MT), Japan (163,900 MT), and South Korea (125,100 MT). Agriwatch expects increase in export demand for U.S corn would support to CBOT corn market.

In U.S, 71% crop of corn is in good to excellent condition as of 9th August'20, down 1 percentage points from last week.

Corn ending stock estimates for U.S increased by 2.75 MMT to 70.01 MMT for 2020/21 compared to last month estimates due to increase in production estimates while for Ukraine, Argentina and Brazil, it kept unchanged its corn ending stock estimates at 1.56 MMT, 2.88 MMT and 7.99 MMT respectively for 2020/21 compared to previous month estimates.



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.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 6.89 USD/MT to 128.05 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.

17th August, 2020

MAIZE WEEKLY FUTURE PRICE CHART
Commodity: Maize
Contract: Sep
Exchange: NCDEX
Expiry: Sep 20th, 2020
Maize – Technical Outlook

Technical Commentary:

- Last candlestick depicts firm movement in the market.
- Prices closed above 9 days EMAs.
- RSI is moving up in neutral zone.
- Increase in prices with higher volume and OI indicates to long build up.

Strategy: Buy on dips

Supports & Resistances			S2	S1	PCP	R1	R2
Maize	NCDEX	Sep	1256	1278	1299	1318	1338
Trade Call			Call	Entry	T1	T2	SL
Maize	NCDEX	Sep	Buy	1292	1302	1307	1286



17th August, 2020

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	14-Aug-20	07-Aug-20	14-July-20	14-Aug-19	14-Aug-18
Gulabbagh	Bilty	1200	1200	1175	2150	1200
Delhi	Hybrid Maize (U.P.)	1250	1250	1250	2150	1400
Davangere	Loose	1300	1300	1350	NR	1300
Shimoga	Bilty	1300	1350	1350	2500	1360
Ranebennur	Bilty	NR	1600	1430	2420	NR
Bagalkot	Hybrid/Local	NR	1250	1300	2200	1368
Gadag	Local	1235	1250	1330	NR	1000
Nizamabad	Bilty	Closed	Closed	Closed	2450	1300
Khanna	Bilty	1100	1100	1100	1850	1280
Sangli	Feed	1437	1474	1485	2550	1538
Ahmedabad	Feed	1370	1350	1350	2300	1500
	Starch	1380	1370	1370	2300	1500

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	13-Aug-20	07-Aug-20	Change
Corn CBOT Prices	Sep-20	128.05	121.16	6.89
	Dec-20	133.36	126.27	7.09
	Mar-21	137.69	131.00	6.69
	May-21	140.54	134.34	6.20
	July-21	142.61	136.9	5.71

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