



Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Maize Trade Scenario
- ❖ State Wise Kharif Sowing Coverage
- ❖ Preliminary Estimate of Kharif Production
- ❖ International Corn Market Summary
- ❖ Export- Import Parity Trend
- ❖ Exports for the Month of July'20
- ❖ Imports for the Month of July'20
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Technical Analysis (Future Market)
- ❖ Annexure

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets showed mixed sentiments compared to the previous week, amid limited trade activities. Agriwatch expects that maize would trade steady to slightly firm in near term on the expectation of increase in export demand and decrease in arrivals from Bihar. However, any Government release at subsidized rates to poultry feed makers could limit the gains.

As per trade sources, M.P region may see around 12-15% crop loss due to heavy rains. However, exact loss assessment can only be after the weather conditions improve. This potential crop loss could lead to increase in maize prices in near future.

MAIZE TRADE SCENARIO

In Bihar, despite the export demand from Bangladeshi and Nepalese feed makers, maize is being traded at Rs. 1250-1275 per quintal (Bilty Price). Maize is being delivered to Kolkata at Rs.1450 per quintal; sourced from Bihar. Hyderabad poultry feed makers are buying maize at Rs. 1500 per quintal; sourced from Nizamabad region.

STATE WISE KHARIF SOWING COVERAGE

In India, maize has been sown in 79.58 lakh hectares as of 21st Aug'20(106.49% of normal area). Agriwatch expects maize sown area to end at 82.24 lakh hectares for the Kharif season 2020-21 which is above than normal area of 74.73 lakh hectares but less than last year area of 82.44 lakh hectares. In Maharashtra, it has been sown in 8.65 lakh hectares; higher than 8.38 lakh hectares compared to corresponding period last year. In Rajasthan, it has been sown in 9.34 lakh hectares; higher than 8.82 lakh hectares compared to corresponding period last year. However, In M.P, maize has been sown in 15.36 lakh hectares as of 21st Aug'20; lower than 15.44 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.

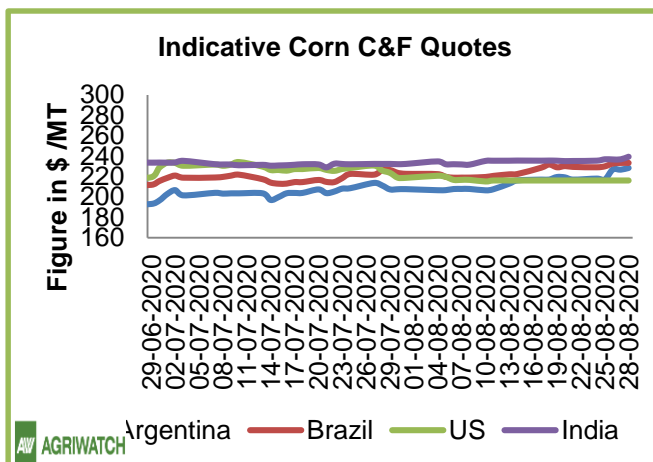
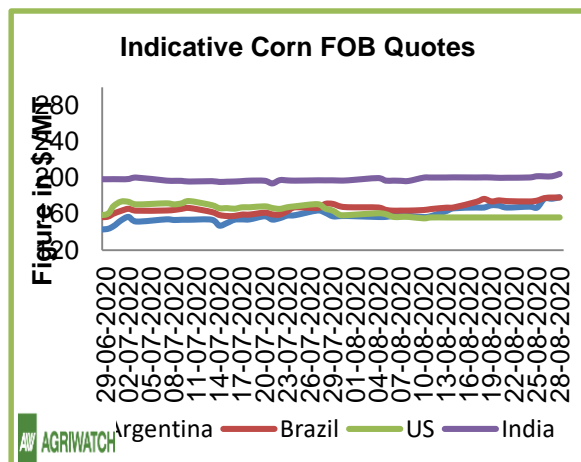
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose this week by 7.48 USD/MT to 136.21 USD/MT for September'20 contract. Agriwatch expects increase in export demand for U.S corn would support to CBOT corn market.

In U.S, 64% crop of corn is in good to excellent condition as of 23rd August'20, down 5 percentage points from last week.

At 0.94 MMT (for the period 14th Aug - 20th Aug, 2020) US corn exports were down 22 percent from the previous week and 10 percent from the previous 4-week average; mainly for the destinations like Mexico (255,300 MT), Japan (227,600 MT), Colombia (219,100 MT), China (135,400 MT), and Canada (33,300 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.41)				
As on 28.08.2020	Argentina	Brazil	US	India
FOB	178.54	178.30	156.23	204.33
C&F	228.54	233.30	216.23	239.33

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 JULY'20

As per trade sources, India exported around 2,00,296 MT of maize in the month of July'20 at an average FoB of \$184/ MT, out of which, 1,36,179 MT Indian maize was exported to Bangladesh at an average FoB of \$188.58/MT and around 59,037 MT was exported to Nepal at an average FoB of \$177.58/MT.

IMPORTS FOR THE MONTH OF JULY'20

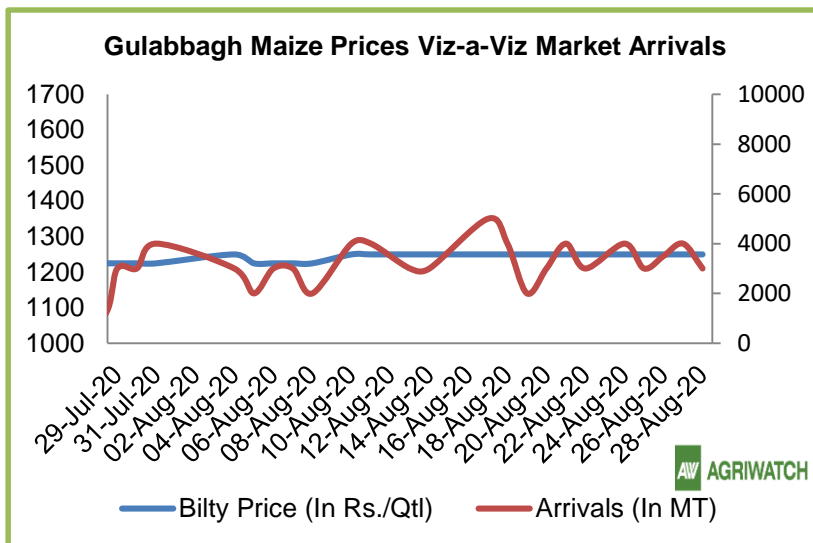
India has authorized imports of upto 5 lakh ton of Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users, in the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand 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, mixed sentiments were reported in most of the major cash markets of maize. The various key spot markets dynamics are as under:

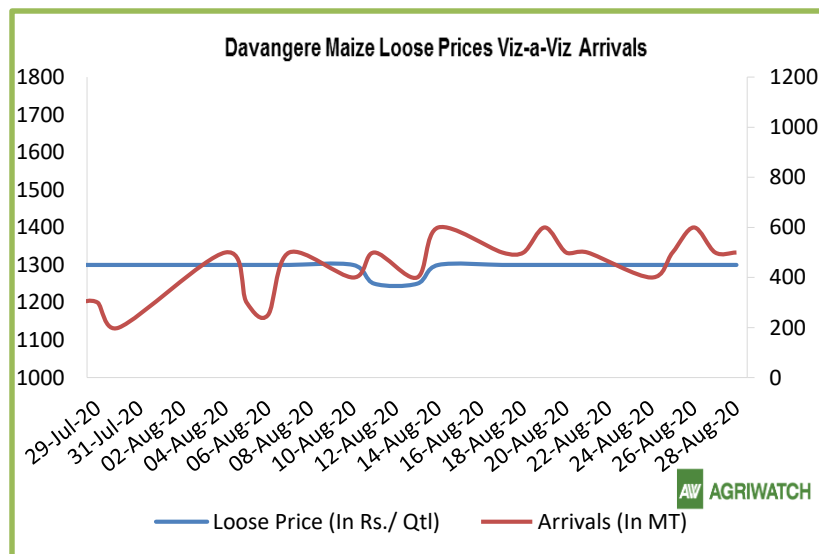
GULABBAGH:

- In Bihar, despite the export demand from Bangladeshi and Nepalese feed makers, maize has been steady for the past several weeks and still is being traded at Rs. 1250-1275 per quintal (Bilty Price). Maize is being delivered to Kolkata at Rs.1450 per quintal; sourced from Bihar. 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:

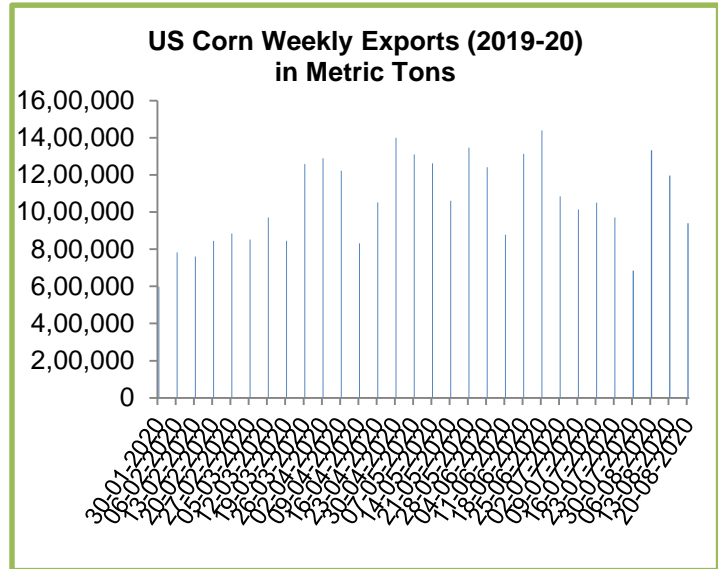
As per USDA, U.S corn exports have reached 42.16 MMT in the 2019-20 marketing year. At 0.94 MMT (for the period 14th Aug - 20th Aug, 2020) US corn exports were down 22 percent from the previous week and 10 percent from the previous 4-week average; mainly for the destinations like Mexico (255,300 MT), Japan (227,600 MT), Colombia (219,100 MT), China (135,400 MT), and Canada (33,300 MT). However, expectation of increase in export demand for U.S corn in coming weeks should support to CBOT corn market.

In U.S., 64% crop of corn is in good to excellent condition as of 23rd August'20, down 5 percentage points from last week. 5% crop of crop has matured as of 23rd August'20, up 3 percentage points from corresponding period last year.

IGC increased its global corn production forecast for 2020/21 by 2 MMT to 1166 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, due to increase in consumption estimates.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 7.48 USD/MT to 136.21 USD/MT for September'20 contract compared to previous week. Agriwatch expects increase in export demand for U.S corn would support to CBOT corn market.



31st August, 2020

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

Technical Commentary:

- Candlestick depicts indecision situation in the market.
- Prices closed above 9 days EMAs.
- RSI is moving up in neutral zone.
- However, volumes are not supporting to the market.

Strategy: Wait

Supports & Resistances			S2	S1	PCP	R1	R2
Maize	NCDEX	Sep	1296	1304	1312	1316	1321
Trade Call			Call	Entry	T1	T2	SL
Maize	NCDEX	Sep	Wait	-	-	-	-



31st August, 2020

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	28-Aug-20	21-Aug-20	28-Jul-20	28-Aug-19	28-Aug-18
Naugachia	Bilty	1275	1225	1125	2175	1250
Delhi	Hybrid Maize (U.P.)	1290	1225	1250	2150	1350
Davangere	Loose	1300	1300	1300	NR	1450
Shimoga	Bilty	1300	1350	1350	NR	1480
Ranebennur	Bilty	NR	NR	1400	2450	NR
Bagalkot	Hybrid/Local	1270	1250	NR	NR	1100
Gadag	Local	1200	1270	1360	NR	1120
Nizamabad	Bilty	1370	1375	1370	2450	1350
Khanna	Bilty	1130	1150	1100	2080	1280
Sangli	Feed	1408	1445	NR	2587	1597
Ahmedabad	Feed	NR	1340	1300	2250	1450
	Starch	NR	1360	1300	2320	1450

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	28-Aug-20	21-Aug-20	Change
Corn CBOT Prices	Sep-20	136.21	128.73	7.48
	Dec-20	141.43	134.05	7.38
	Mar-21	145.37	138.97	6.40
	May-21	147.93	141.92	6.01
	July-21	149.40	143.89	5.51

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian Agribusiness Systems Ltd.