



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 steady to slightly firm sentiments compared to the previous week. Agriwatch expects that maize would trade steady to slightly firm in near term too 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 8-12% 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. 1275-1300 per quintal (Bilty Price). Maize is being delivered to Kolkata at Rs.1400 per quintal; sourced from Bihar. Hyderabad poultry feed makers are buying maize at Rs. 1475 per quintal; sourced from Nizamabad region.

STATE WISE KHARIF SOWING COVERAGE

In India, maize has been sown in 81.14 lakh hectares as of 4th Sep'20, 108.58% 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 74.73 lakh hectares but less than last year area of 82.44 lakh hectares. In Maharashtra, it has been sown in 8.75 lakh hectares; higher than 8.57 lakh hectares compared to corresponding period last year. In Rajasthan, it has been sown in 9.34 lakh hectares; higher than 8.84 lakh hectares compared to corresponding period last year. However, In M.P, maize has been sown in 15.38 lakh hectares as of 4th Sep'20; lower than 15.45 lakh hectares compared to corresponding period last year.

FIRST ESTIMATE OF KHARIF PRODUCTION

Agriwatch's first estimate for the maize production in 2020-21 Kharif season is 18.26 MMT with average yield of 2.21 MT/ hectare.

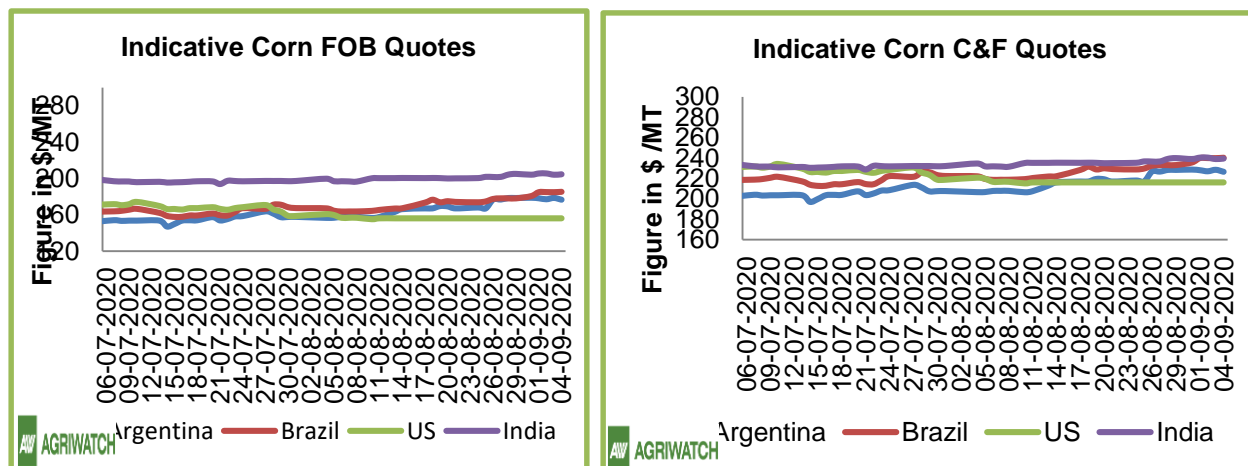
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 0.50 USD/MT to 136.71 USD/MT for September'20 contract compared to previous week. Agriwatch expects decrease in export demand for U.S corn would weigh on CBOT corn market.

In U.S, 62% crop of corn is in good to excellent condition as of 30th August'20, down 2 percentage points from last week.

At 0.46 MMT (for the period 21st Aug - 27th Aug, 2020) US corn exports were down 51 percent from the previous week and 55 percent from the 4-week average; mainly for the destinations like Mexico (224,300 MT), China (137,200 MT), Jamaica (28,800 MT), Japan (22,100 MT), and Trinidad (16,700 MT).

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.31)				
As on 04.09.2020	Argentina	Brazil	US	India
FOB	176.67	185.50	NA	204.61
C&F	226.67	240.50	NA	239.61

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

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

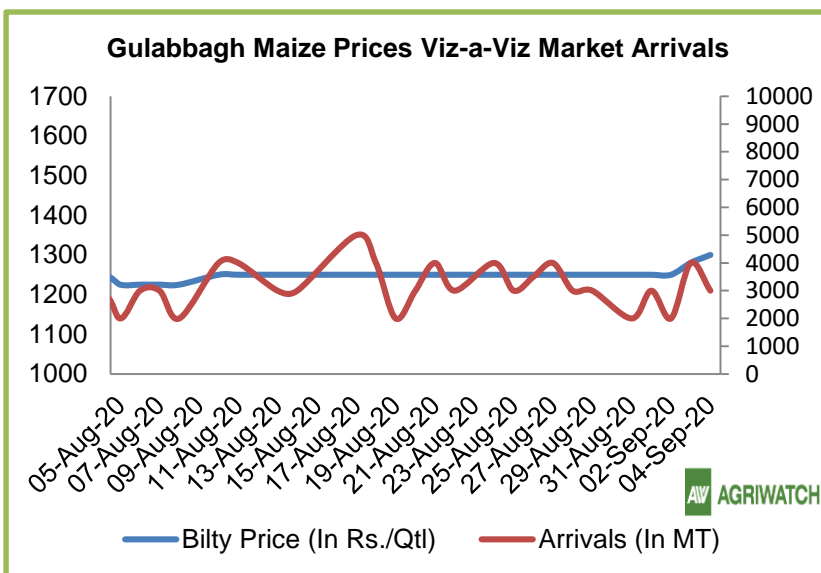
India has authorized imports of upto 5 lakh ton of Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users, in the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand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

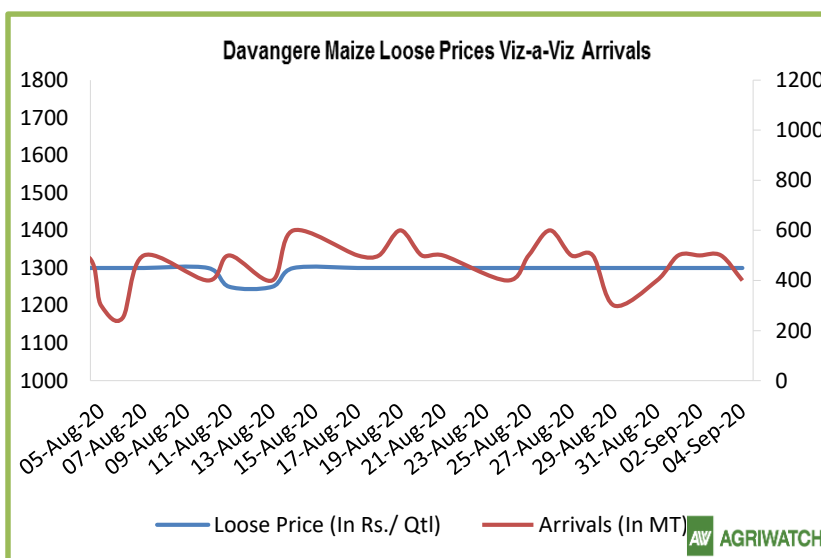
GULABBAGH:

- In Bihar, despite the export demand from Bangladeshi and Nepalese feed makers, maize has been steady for the past several weeks due to low quality arrival and still is being traded at Rs. 1275-1300 per quintal (Bilty Price). Maize is being delivered to Kolkata at Rs.1400 per quintal; sourced from Bihar. It is expected that maize would trade steady to slightly firm and stay in the range of Rs. 1270-1350 per quintal for the week on the expectation of decrease in arrivals.



KARNATAKA:

- In Karnataka, maize is likely to trade steady to range bound in near term amid limited feed makers' demand. Expectation of new crop arrival at the end of September month would also weigh on market sentiments.



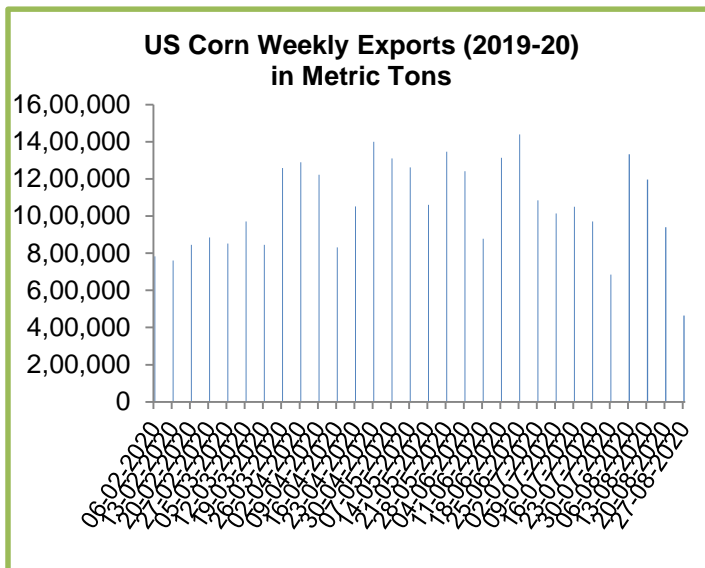
DOMESTIC MAIZE OUTLOOK:

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 42.62 MMT in the 2019-20 marketing year. At 0.46 MMT (for the period 21st Aug - 27th Aug, 2020) US corn exports were down 51 percent from the previous week and 55 percent from the 4-week average; mainly for the destinations like Mexico (224,300 MT), China (137,200 MT), Jamaica (28,800 MT), Japan (22,100 MT), and Trinidad (16,700 MT). Agriwatch expects that decrease in export demand for U.S corn would weigh on CBOT corn market.

In U.S, 62% crop of corn is in good to excellent condition as of 30th August'20, down 2 percentage points from last week. 12% of crop has matured as of 30th August'20, up 7 percentage points from corresponding period last year.


PREVIOUS UPDATES:

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 0.50 USD/MT to 136.71 USD/MT for September'20 contract compared to previous week. Agriwatch expects decrease in export demand for U.S corn would weigh on CBOT corn market.

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

Technical Commentary:

- Candlestick depicts firm situation in the market.
- Prices closed above 9 days EMAs.
- RSI is moving up in overbought zone which might take correction.

Strategy: Buy

Supports & Resistances			S2	S1	PCP	R1	R2
Maize	NCDEX	Sep	1302	1328	1354	1367	1380
Trade Call			Call	Entry	T1	T2	SL
Maize	NCDEX	Sep	Buy	1346	1358	1364	1339

ANNEXURE
MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	04-Sep-20	28-Aug-20	04-Aug-20	04-Sep-19	04-Sep-18
Naugachia	Bilty	1300	1275	1175	2150	1300
Delhi	Hybrid Maize (U.P.)	1250	1290	1200	2150	1350
Davangere	Loose	1300	1300	1300	NA	1450
Shimoga	Bilty	NA	1300	1350	2500	1450
Ranebennur	Bilty	NA	NA	1390	2400	1400
Bagalkot	Hybrid/Local	NA	1270	1240	NA	NA
Gadag	Local	1210	1200	1270	2090	NA
Nizamabad	Bilty	1375	1370	Closed	2400	1400
Khanna	Bilty	1130	1130	1100	1950	1280
Sangli	Feed	1443	1408	1470	2614	1616
Ahmedabad	Feed	1300	NR	1340	2300	NA
	Starch	1330	NR	1340	2350	NA

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	05-Sep-20	28-Aug-20	Change
Corn CBOT Prices	Sep-20	136.71	136.21	0.50
	Dec-20	140.94	141.43	-0.49
	Mar-21	145.07	145.37	-0.30
	May-21	147.53	147.93	-0.40
	July-21	149.30	149.4	-0.10

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