

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 with a slightly firm bias due to the decrease in arrivals from Bihar, amid export demand from Bangladeshi and Nepalese feed makers. However, any Government release at subsidized rates to poultry feed makers and the new crop arrivals expected by end of September month would limit the gain.

As per media reports, Telangana Government has issued 8,47,000 MT of tender for the disposal of maize on 8th Sep'20. Tender's closing date is 29th Sep'20.

MAIZE TRADE SCENARIO

In Bihar, maize is being traded at Rs. 1300 per quintal (Bilty Price) rising slightly each week. Maize is being delivered to Kolkata at Rs.1380-1450 per quintal; sourced from Bihar. Hyderabad poultry feed makers are buying maize at Rs. 1475 per quintal; sourced from Nizamabad region. It is also moving towards Tamil Nadu and Bengaluru at Rs. 1600 and Rs. 1500-1550 per quintal, sourced from Davangere region of Karnataka.

STATE WISE KHARIF SOWING COVERAGE

In India, maize has been sown in 80.71 lakh hectares as of 11th Sep'20, 108% of normal area. Agriwatch expects maize sown area at 82.17 lakh hectares for the Kharif season 2020-21 which is above than normal area of 74.73 lakh hectares but below than last year area of 82.44 lakh hectares. In Maharashtra, it has been sown in 8.81 lakh hectares; higher than 8.61 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. In M.P, maize has been sown in 15.38 lakh hectares; higher than 15.36 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 17.80 MMT with average yield of 2.17 MT/ hectare.

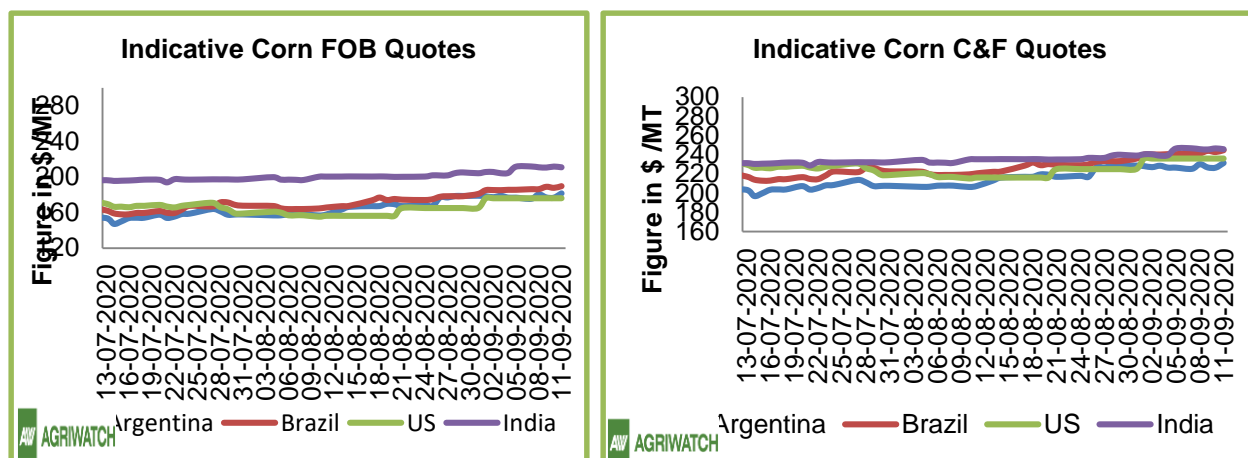
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 6.98 USD/MT to 143.69 USD/MT for September'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S corn would lead to CBOT corn.

In U.S, 61% crop of corn is in good to excellent condition as of 6th September'20, down 1 percentage points from last week.

USDA decreased its world corn ending stock estimates by 10.67 MMT to 306.79 MMT for 2020/21 compared to last month due to decrease in production estimates which would support to global corn market.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.52)				
As on 11.09.2020	Argentina	Brazil	US	India
FOB	181.50	189.6	NA	210.83
C&F	231.50	244.60	NA	245.83

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. Data for August is not yet available.

IMPORTS

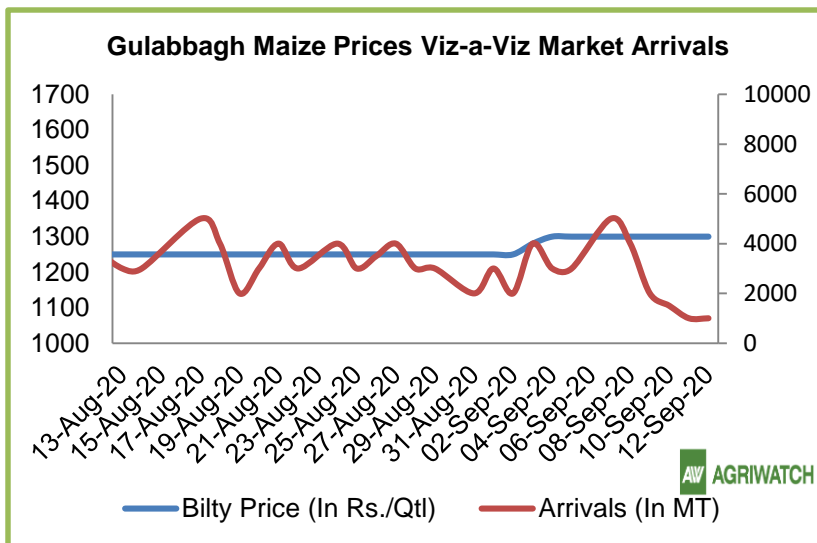
India has authorized imports of upto 5 lakh ton of Non- GM Maize (other than seed quality) at a concessional custom duty of 15 % under TRQ Scheme for end users, in the current financial year 2020-21. At present, there is no import parity as maize is trading lower in the domestic markets due to demand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

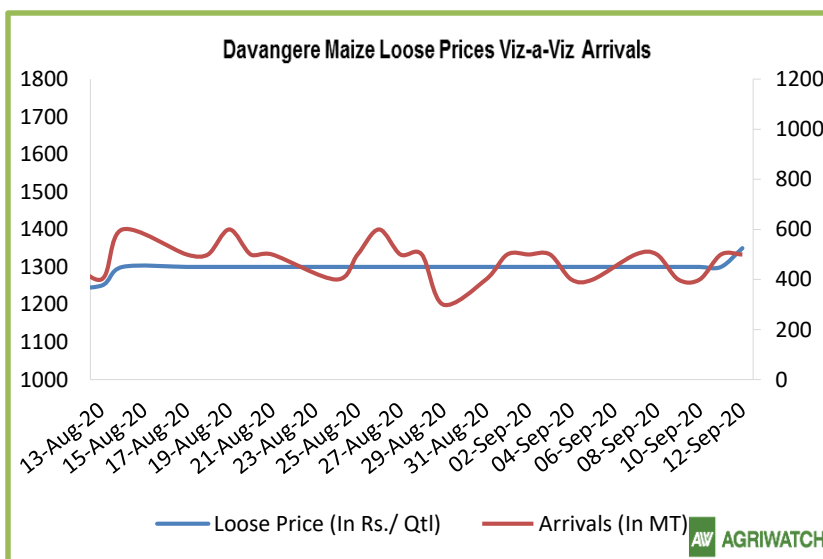
GULABBAGH:

- In Bihar, maize is being traded at Rs.1300 per quintal (Bilty Price) slightly increased due to decrease in arrivals. Maize is being delivered to Kolkata at Rs.1380-1450 per quintal; sourced from Bihar. It is expected that maize would trade steady to slightly firm and stay in the range of Rs. 1280-1380 per quintal for the week on the expectation of decrease in arrivals.



KARNATAKA:

- In Karnataka, maize traded firm due to increase in feed makers' demand. However, expectation of new crop arrivals in the coming weeks would limit the gain. It is moving towards Tamil Nadu and Bengaluru at Rs. 1600 and Rs. 1500-1550 per quintal, sourced from Davangere region of Karnataka.



DOMESTIC MAIZE OUTLOOK:

Prices of maize are likely to be steady to slightly firm for the week due to decrease in arrivals amid regular feed makers' demand.

INTERNATIONAL MARKET HIGHLIGHT:

As per USDA, U.S corn exports have reached 43.27 MMT in the 2019-20 marketing year, down 14 percent from the previous year. At 0.89 MMT (for the period 28th Aug – 03rd Sep, 2020) US corn exports were up 93 percent from the previous week. Agriwatch expects that increase in export demand for U.S corn would lead to CBOT corn.

In U.S, 61% crop of corn is in good to excellent condition as of 6th September'20, down 1 percentage points from last week. 25% of crop has matured as of 6th September'20, up 15 percentage points from corresponding period last year.

USDA decreased its world corn ending stock estimates by 10.67 MMT to 306.79 MMT for 2020/21 compared to last month due to decrease in production estimates which would support to global corn market.

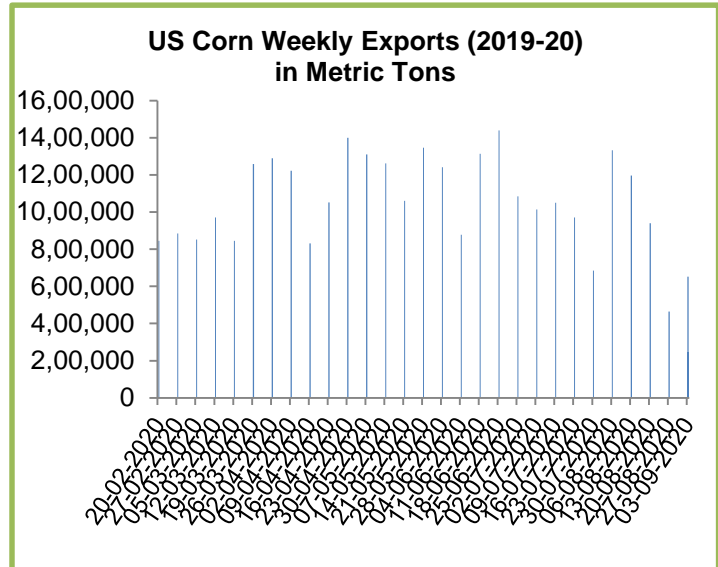
USDA also revised the ending stock estimates for U.S, down by 6.44 MMT to 63.57 MMT for 2020/21 compared to last month estimates due to decrease in production estimates while for Ukraine, Argentina and Brazil, it kept it unchanged at 1.56 MMT, 2.88 MMT and 7.99 MMT respectively compared to previous month estimates.

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 6.98 USD/MT to 143.69 USD/MT for September'20 contract compared to previous week. Agriwatch expects that increase in export demand for U.S corn would lead to CBOT corn.



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.
- However, volumes are not supporting to the market.

Strategy: Wait

Supports & Resistances			S2	S1	PCP	R1	R2
Maize	NCDEX	Sep	1309	1335	1360	1372	1385
Trade Call			Call	Entry	T1	T2	SL
Maize	NCDEX	Sep	Wait	-	-	-	-



ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	11-Sep-20	04-Sep-20	11-Aug-20	11-Sep-19	11-Sep-18
Naugachia	Bilty	1300	1300	1200	2100	1325
Delhi	Hybrid Maize (U.P.)	1300	1250	1250	2150	1400
Davangere	Loose	1300	1300	1250	NA	1450
Shimoga	Bilty	1350	NA	1450	2500	NA
Ranebennur	Bilty	1430	NA	1385	2620	1460
Bagalkot	Hybrid/Local	1275	NA	1300	NA	1360
Gadag	Local	NA	1210	1210	NA	NA
Nizamabad	Bilty	1370	1375	Closed	2350	1400
Khanna	Bilty	1150	1130	1100	1890	1290
Sangli	Feed	1441	1443	1446	2500	1600
Ahmedabad	Feed	1300	1300	1370	2270	1540
	Starch	1350	1330	1380	2275	1550

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	11-Sep-20	05-Sep-20	Change
Corn CBOT Prices	Sep-20	143.69	136.71	6.98
	Dec-20	145.07	140.94	4.13
	Mar-21	148.91	145.07	3.84
	May-21	151.37	147.53	3.84
	July-21	152.75	149.30	3.45

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