

Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ State wise Rabi sowing coverage
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ Export Parity Trend
- ❖ Trade Scenario
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Davangere Market Analysis
- ❖ Annexure

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Major maize cash markets traded firm during the week and are likely to trade firm ahead due to scarcity of the good quality material amid high feed makers demand. As trade sources revealed that imports are not being possible due to Ukraine crop quality and firmness of Indian maize prices could continue.

In Davangere, demand from Bangalore and Tamil Nadu feed makers is still supporting to maize cash market despite new crop in Tamilnadu has started. In Bihar, Kolkata feed makers demand amid lower stock is supporting to maize cash market.

STATE WISE RABI SOWING COVERAGE

In India, Rabi maize has been sown in around 14.28 lakh hectares as of 24th January, 2019 which is lower than 15.84 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 4.58 lakh hectare which is slightly lower than 4.66 lakh hectares during corresponding period last year. Trade sources revealed that area shifted towards wheat and Mustard. Crop conditions are favourable till the time. In Karnataka, it has been sown in around 0.81 lakh hectare which is lower than 0.99 lakh hectares during corresponding period last year. In Maharashtra, it has been sown in around 1.16 lakh hectares- lower than 1.98 lakh hectares during corresponding period last year. In Maharashtra, maize area is likely to shift towards sugarcane. In Gujarat, maize progressive area of Rabi 2018-19 is 0.97 lakh hectares which is equal to 0.96 lakh hectares during corresponding period last year. In Telangana, Maize sowing for the Rabi season as of 24th Jan'19 reported at 0.94 lakh hectares which is lower than 1.04 lakh hectares in the corresponding period last year. Trade sources revealed that area shifted towards red Jowar. Crop is at vegetative stage to knee high stage. Nizamabad, Kamareddy, Warangal (U)/(R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall army worm. Trade sources revealed that in Nizamabad, around 10-15% crop is affected by fall army worm.

RECOMMENDATION:

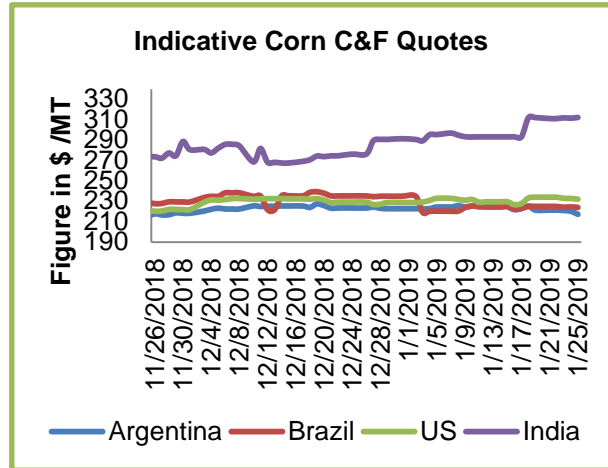
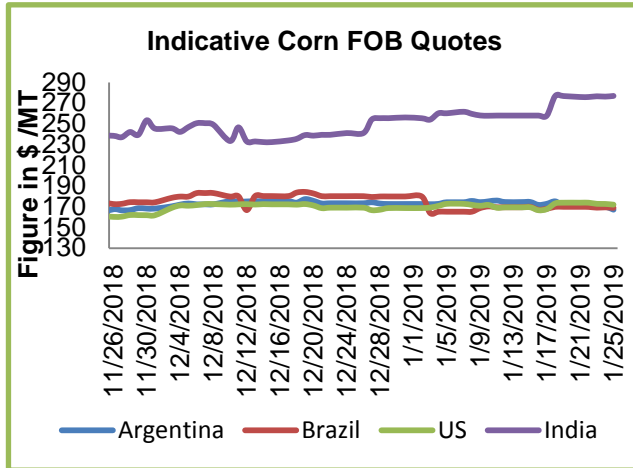
Weekly Call - : Market participants are advised to wait in Maize as there is no trade volume in maize future market. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1900-2000 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 1.18 USD/ MT to 148.42 USD/MT for Mar'19 contract compared to last week due to uncertainty about U.S.-China trade talk.

IGC increased its forecast for 2018/19 global corn production by 3 MMT to 1076 MMT compared to previous month forecast; driven by upward revision for Ukraine and the EU.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.11)				
As on 25.01.2019	Argentina	Brazil	US	India
FOB	167.13	168.90	172.00	277.11
C&F	217.13	223.90	232.00	312.11

As depicted by the above data, there is no parity for Indian maize as gap of prices between India and other exporting countries has broadened.

TRADE SCENARIO

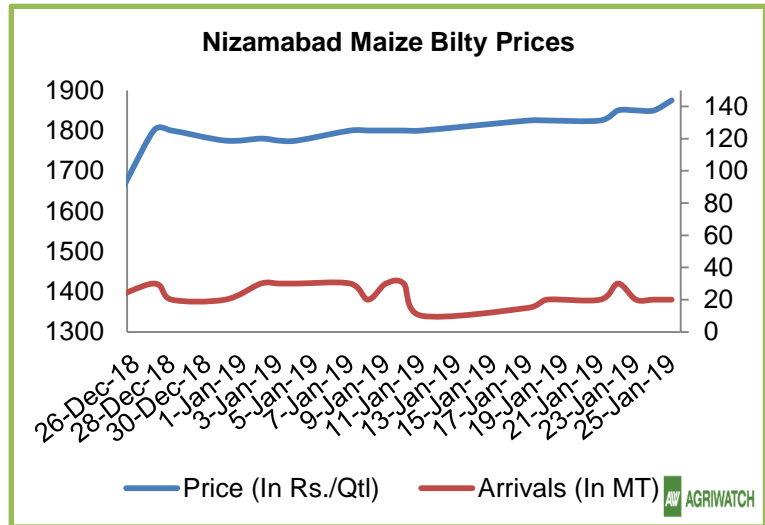
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 1950 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 2050 per quintal, Namakkal at Rs. 2150 per quintal, Chitradurga at Rs. 1900 per quintal, Sangali and Ranebennur at Rs. 1950 per quintal each and Chennai at Rs. 2200 per quintal (Delivered price); sourced from Davangere. In Bihar, maize is moving towards Kolkata and Jharkhand at Rs. 2125 per quintal each.

CURRENT MARKET DYNAMICS:

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

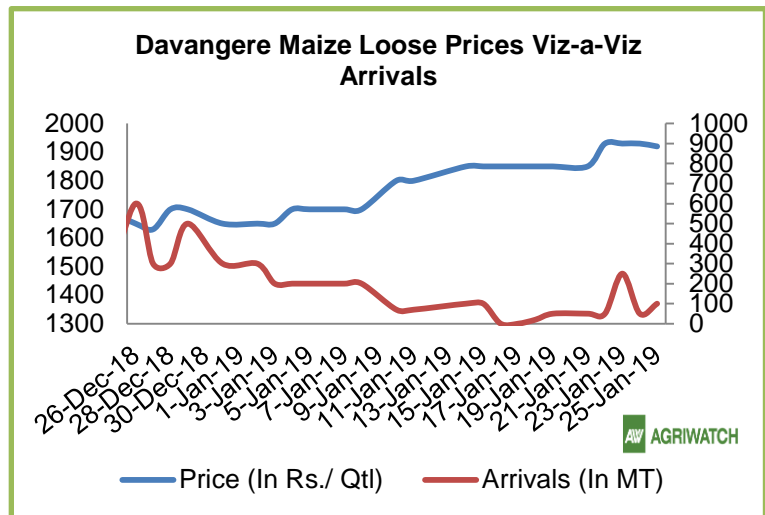
TELANGANA:

- In Telangana, Maize sowing for the Rabi season as of 24th Jan'19 reported at 0.94 lakh hectares which is lower than 1.04 lakh hectares in the corresponding period last year. Trade sources revealed that area shifted towards red Jowar. Crop is at vegetative stage to knee high stage. Nizamabad, Kamareddy, Warangal (U)/(R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall army worm. Trade sources revealed that in Nizamabad, around 10-15% crop is affected by fall army worm.
- In Nizamabad, maize is moving to Hyderabad at Rs. 1950 per quintal.



KARNATAKA:

- In Davangere region of Karnataka, maize is likely to trade firm as demand from Bangalore and Tamil Nadu feed makers is still supporting to maize cash market despite new crop in Tamilnadu has started. As per trade source, around 40,000 MT of maize has been stocked by stockists.



DOMESTIC MAIZE OUTLOOK:

Prices of standard quality maize are likely to be steady to firm in the near term.

INTERNATIONAL MARKET HIGHLIGHT:

IGC increased its forecast for 2018/19 global corn production by 3 MMT to 1076 MMT compared to previous month forecast; driven by upward revision for Ukraine and the EU. Forecast for global corn ending stock was also up by 5 MMT to 271 MMT compared to last forecast for 2018/19 which could weigh on international corn market.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 1.18 USD/ MT to 148.42 USD/MT for Mar'19 contract compared to last week due to uncertainty about U.S.-China trade talk.

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1900-2000 per quintal for the week.

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	24-Jan-19	17-Jan-19	24-Dec-18	24-Jan-18	24-Jan-17
Naugachia	Bilty	2025	1875	1850	NA	1575
Delhi	Hybrid Maize (U.P.)	2050	2000	1850	1325	1600
Davangere	Loose Price	1930	1850	1700	1230	1520
Shimoga	Bilty	1880	1810	NA	1300	1450
Ranebennur	Bilty	1900	1890	1750	1200	1515
Bagalkot	Hybrid/Local	1876	1825	1706	1146	1450
Gadag	Local	1805	1796	1700	1109	1493
Nizamabad	Bilty	1850	1825	1575	1330	1510
Khanna	Bilty	2090	2025	1890	1370	1620
Sangli	Feed	1980	1948	1853	NA	1510
Ahmedabad	Feed	2060	2000	1870	1300	1525
	Starch	2000	1980	1900	1350	1550

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	24-Jan-19	17-Jan-19	Change
Corn CBOT Prices	Mar-19	148.42	149.60	-1.18
	May-19	151.76	152.75	-0.98
	Jul-19	154.91	155.70	-0.79
	Sep-19	156.10	156.88	-0.79
	Dec-19	157.77	158.75	-0.98

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> © 2019 Indian Agribusiness Systems Ltd.