

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded mixed during the week and are expected to trade steady to slightly firm in the near term on the expectation of increase in demand. In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 30 per quintal to Rs. 1450 per quintal while starch feed makers quoted it down by Rs. 10 per quintal to Rs. 1500 per quintal compared to last week.

In India, maize has been sown in around 3.07 lakh hectares as on 9th June'17 which is higher than 0.55 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 0.61 lakh hectare which is higher than 0.30 lakh hectare covered during corresponding period last year.

In Gulabghat, new crop of maize traded down by Rs. 10 per quintal to Rs. 1240 per quintal (Bilty) compared to last week. It is likely to trade steady to slightly firm in near term.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for July contract near 1282 levels for a target of 1304 and 1315 with a stop loss at 1269 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1580-1600 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 5.02 USD/MT to 151.47 USD/MT compared to last week for July contract.

USDA decreased its global corn ending stocks estimates by 0.934 MMT TO 194.331 MMT for 2017/18 compared to last month due to decrease in its production estimates.

At 1.21 MMT (for the period 26th May – 1st June, 2017) U.S corn exports were down 9 percent from the previous week, but up 4 percent from the prior 4-week average.

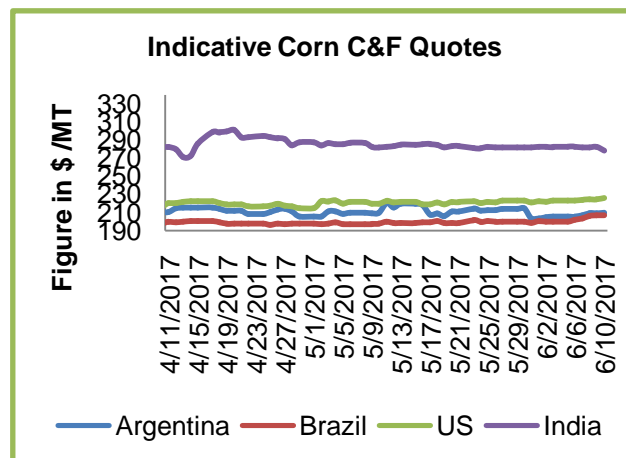
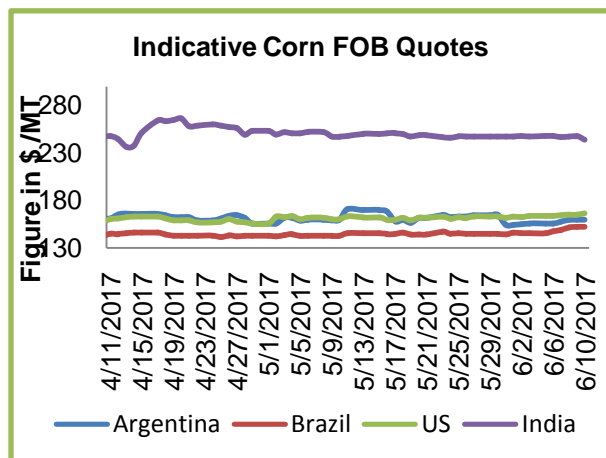
In U.S, 96% corn planting has been completed as of 4th June, 2017, lower by 1% compared to corresponding period of last year and from last 5 year average period.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index gained 1.16% during the week ended March 25, 2017 compared to previous week. The base for the Index and all sub-Indices is 2014 (= 100). Detailed charts and index computation methodology can be viewed on the ET website and on Agriwatch.com.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.28)				
As on 10.06.2017	Argentina	Brazil	US	India
FOB	159.74	151.76	166.06	243.46
Cost and Freight (C&F)	209.74	206.76	226.06	278.46

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

- We are unable to update export-import data as Govt has restricted the latest IBIS data for Public domain. We will be able to update it as and when available.

BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

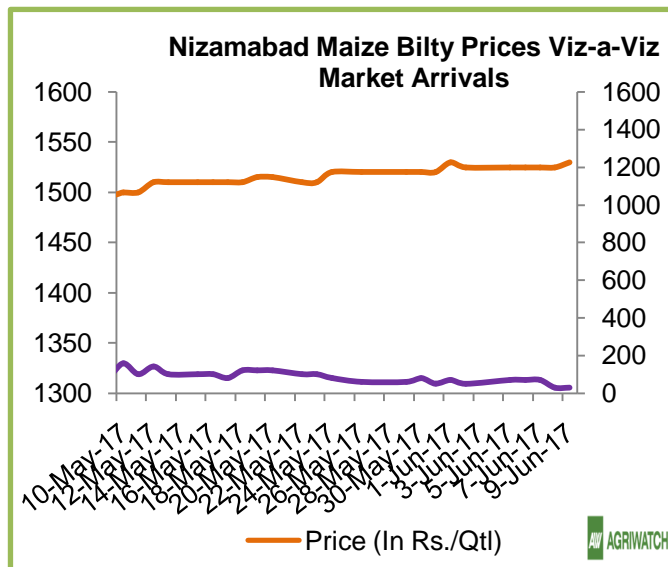
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Punjab	14500 (Bihar Origin)	N.A
U.P	14000 (Bihar Origin)	N.A
Kolkata	13750 (Bihar Origin)	N.A

CURRENT MARKET DYNAMICS:

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

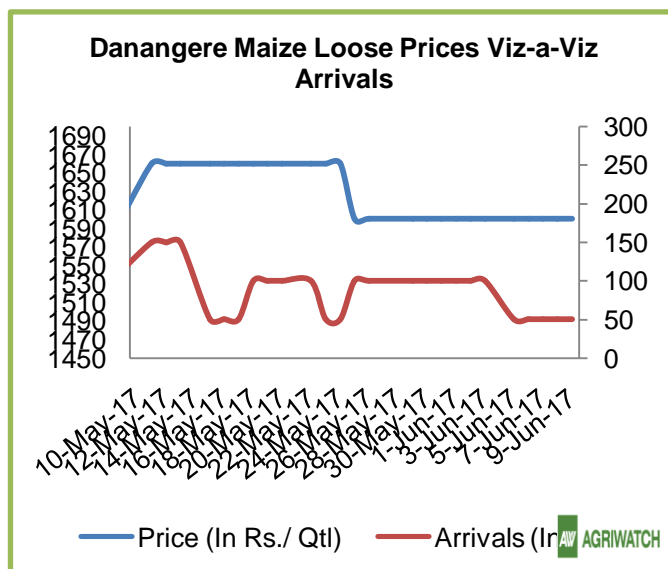
ANDHRA PRADESH:

- In Nizamabad, Maize (bilty) traded down by Rs. 5 per quintal to Rs. 1525 per quintal compared to last week and is likely to trade steady in the near term. It is moving towards Hyderabad at Rs. 1580 per quintal. Stock of maize could be around 75,000 quintal which was 125,000 quintal during corresponding period of last year.



KARNATAKA:

- In Davangere, Maize (loose) traded steady at Rs. 1600 per quintal compared to last week. Maize could trade steady in the near term.



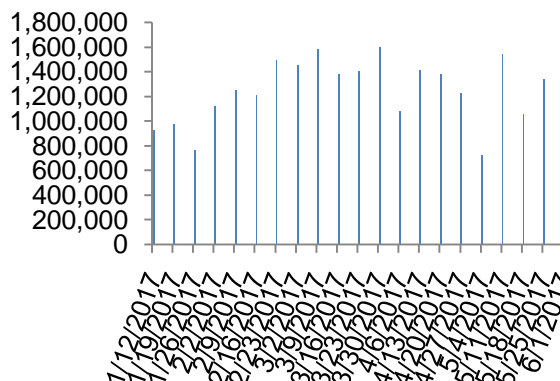
DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade steady to slightly firm in the near term.

INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 43.07 MMT in the 2016-17 marketing year. At 1.21 MMT (for the period 26th May – 1st June, 2017) exports were down 9 percent from the previous week, but up 4 percent from the prior 4-week average. The primary destinations were Mexico (273,100 MT), South Korea (269,100 MT), Japan (261,500 MT), Saudi Arabia (139,300 MT), and China (121,400 MT).
- USDA kept unchanged its corn ending stock estimates for U.S at 53.599 MMT for 2017/18.
- USDA decreased its global corn ending stocks estimates by 0.934 MMT TO 194.331 MMT for 2017/18 compared to last month due to decrease in its production estimates by 1.8 MMT to 1031.864 MMT. Also, raised its export estimates by 1 MMT to 150.735 MMT for 2017/18 compared to last month estimates.
- In U.S, 96% corn planting has been completed as of 4th June, 2017, lower by 1% compared to corresponding period of last year and from last 5 year average period. 86% crop of corn has emerged; lower by 2% compared to last year and 1% from last 5 year average period. 68% crop of corn is in good to excellent condition.

US Corn Weekly Exports (2016-17) in Metric Tons



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 5.02 USD/MT to 151.47 USD/MT compared to last week for July contract and is expected to trade higher on the forecast for hot weather in U.S Midwest.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(July Contract Weekly Chart)

- Candlestick depicts down in the market.
- Prices closed below 9 days EMAs.
- RSI is moving down in neutral region.
- Decrease in prices with higher volume and OI indicates short build up.
- Strategy: Buy near 1282 for target 1304 and 1315 in the near term.

Strategy: Buy
Maize NCDEX (July)

Support & Resistance				
S2	S1	PCP	R1	R2
1207	1249	1291	1327	1363

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1580-1600 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	8-Jun-17	1-Jun-17	8-May-17	8-Jun-16	8-Jun-15
Gulabbagh	Bilty	1240	1250	1250	1330	1080
Delhi	Hybrid	1400	1425	NA	1480	1240
Davangere	Loose Price	1600	1600	NA	NA	NA
Shimoga	Bilty	1650	1570	1600	1720	1300
Ranebennur	Bilty	1600	1610	1530	1620	1335
Bagalkot	Hybrid/Local	1520	1515	1522	1480	1313
Gadag	Local	NA	1472	1544	NA	1259
Nizamabad	Bilty	1525	1530	1500	1540	1275
Khanna	Bilty	1400	1490	1580	1480	1320
Sangli	Feed	1625	1600	1598	1750	1408
Ahmadabad	Feed	1450	1480	1490	1625	1300
	Starch	1500	1510	1525	1600	1330

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	7-Jun-17	31-May-17	Change
Corn CBOT Prices	July-17	151.47	146.45	5.02
	Sep-17	154.42	149.60	4.82
	Dec-17	158.46	153.93	4.53
	Mar-18	161.90	157.87	4.03
	May-18	164.07	160.23	3.84

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