



# **Maize Weekly Research Report**

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to weak during the week. However, markets are expected to trade steady in the near term. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 40 per quintal to Rs. 1490 per quintal while starch feed makers quoted it steady at Rs. 1500 per quintal compared to last week.

In India, maize has been sown in around 9.44 lakh hectares as of 23<sup>rd</sup> June'17 which is lower than 0.06 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 2.06 lakh hectare which is lower than 1.89 lakh hectare covered during corresponding period last year while in U.P; it has been sown in 0.43 lakh hectare which is lower than 0.22 lakh hectare covered during corresponding period last year. However, in Maharashtra, it has been sown in 0.54 lakh hectares which is higher than 0.06 lakh hectares 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 in near term.

### RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for July contract near 1310 levels for a target of 1324 and 1331 with a stop loss at 1302 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1580-1600 per quintal for the week.

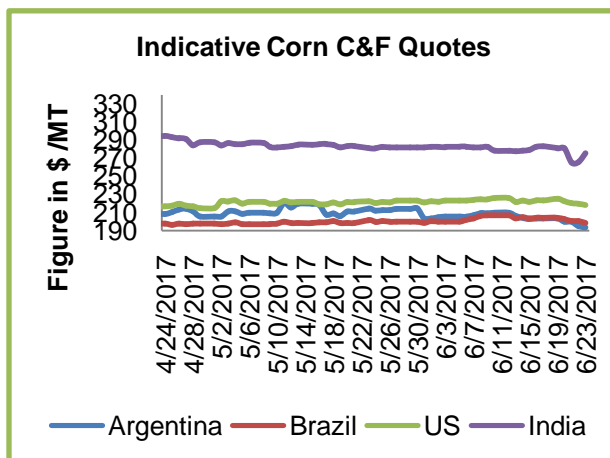
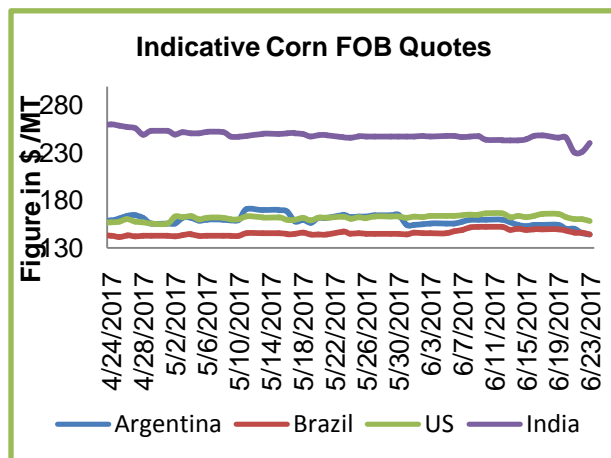
### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 3.25 USD/MT to 145.17 USD/MT compared to last week for July contract.

At 1.21 MMT (for the period 9<sup>th</sup> June – 15<sup>th</sup> June, 2017) U.S corn exports were up 22 percent from the previous week and 6 percent from the prior 4-week average.

In U.S, 98% crop of corn has emerged as of 18th June, 2017, lower by 1% compared to last year but same from last 5 year average period. 67% crop of corn is in good to excellent condition, same compared to last week.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.53)				
As on 23.06.2017	Argentina	Brazil	US	India
<b>FOB</b>	143.7	143.83	158.19	240.64
<b>Cost and Freight (C&amp;F)</b>	193.70	198.83	218.19	275.64

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:

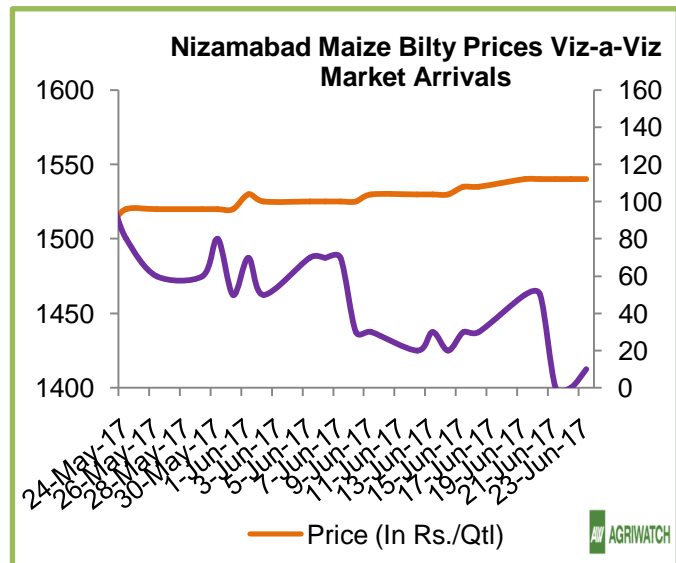
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
U.P	14000 (Bihar Origin)	N.A
Kolkata	13500 (Bihar Origin)	N.A

CURRENT MARKET DYNAMICS:

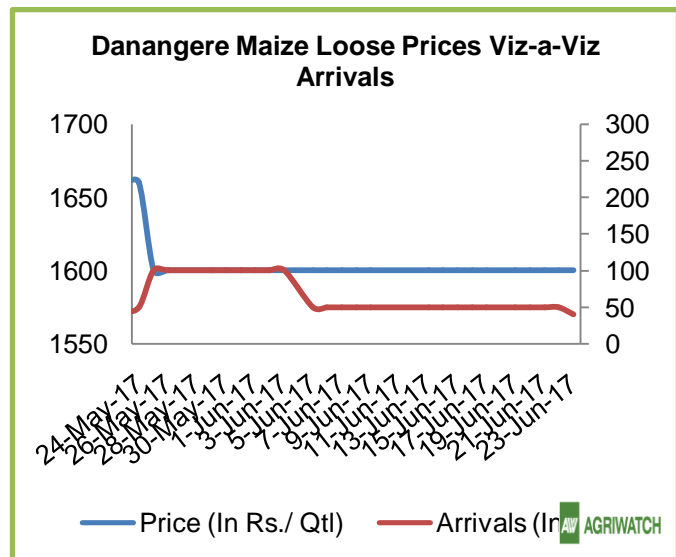
During the week under review, steady to weak sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In Nizamabad, Maize (bilty) traded firm by Rs. 5 per quintal to Rs. 1540 per quintal compared to last week and is likely to trade steady in the near term. It is moving towards Hyderabad at Rs. 1660 per quintal. Stock of maize could be around 70,000 quintal which was 100,000 quintal during corresponding period of last year.

KARNATAKA:

- In Davangere, Maize (loose) traded steady at Rs. 1580-1600 per quintal compared to last week. Maize could trade steady in the near term amid sluggish demand.

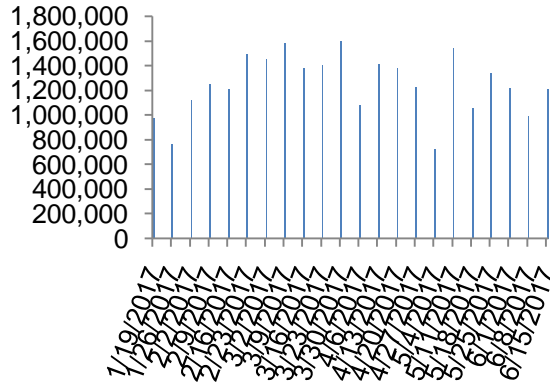
DOMESTIC MAIZE OUTLOOK:

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

### INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 45.28 MMT in the 2016-17 marketing year. At 1.21 MMT (for the period 9<sup>th</sup> June –15<sup>th</sup> June, 2017) exports were up 22 percent from the previous week and 6 percent from the prior 4-week average. The primary destinations were Mexico (378,100 MT), Japan (336,300 MT), South Korea (127,000 MT), Israel (67,500 MT), and Peru (49,500 MT).
- In U.S, 98% crop of corn has emerged as of 18<sup>th</sup> June, 2017, lower by 1% compared to last year but same from last 5 year average period. 67% crop of corn is in good to excellent condition, same compared to last week.
- Preliminary Japanese government data shows that Japan's use of corn in animal feed production fall to 46.4% in the Apr'17 from 46.5% during the same month last year as users' reliance on alternatives such as wheat increased.

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



### INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 3.25 USD/MT to 145.17 USD/MT compared to last week for July contract due to favorable weather condition in U.S Midwest. Higher global corn production and forecast for rain is likely to put pressure on corn prices.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(July Contract Weekly Chart)**

- Candlestick depicts gain in the market.
- Prices closed below 9 days EMAs.
- RSI is moving up in neutral region.
- Increase in prices with lower volume and OI indicates weak market.
- Strategy: Buy near 1310 for target 1324 and 1331 in the near term.

**Strategy: Buy**
**Maize NCDEX (July)**

Support & Resistance				
S2	S1	PCP	R1	R2
1282	1300	1318	1332	1342

### DAVANGERE MARKET ANALYSIS: MAIZE



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

### ANNEXURE

#### MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	22-Jun-17	15-Jun-17	23-May-17	22-Jun-16	22-Jun-15
Gulabbagh	Bilty	1240	1250	1250	1550	1100
Delhi	Red (Bihar)	1300	1300	1425	1625	1200
Davangere	Loose Price	1600	1600	1660	1660	1300
Shimoga	Bilty	1600	1600	1580	1780	1310
Ranebennur	Bilty	1580	1660	1620	1670	1350
Bagalkot	Hybrid/Local	1520	1526	1535	1580	1395
Gadag	Local	1309	1542	1501	1404	1129
Nizamabad	Bilty	1540	1535	1510	1700	1275
Khanna	Bilty	1225	1280	1510	1650	1250
Sangli	Feed	1670	1650	1580	1850	1490
Ahmadabad	Feed	1490	1450	1480	1800	1340
	Starch	1500	1500	1500	1770	1340

<b>Maize CBOT Weekly Futures Price Listing (USD/Ton)</b>				
	<b>Contract Month</b>	<b>21-Jun-17</b>	<b>14-Jun-17</b>	<b>Change</b>
<b>Corn CBOT Prices</b>	<b>July-17</b>	145.17	148.42	<b>-3.25</b>
	<b>Sep-17</b>	148.32	151.57	<b>-3.25</b>
	<b>Dec-17</b>	152.26	155.70	<b>-3.44</b>
	<b>Mar-18</b>	156.00	159.34	<b>-3.34</b>
	<b>May-18</b>	158.26	161.61	<b>-3.35</b>

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