



# Maize Weekly Research Report

## Contents

- ❖ Executive Summary
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ Export Parity Trend
- ❖ Export Break Up By Major Countries
- ❖ Business from various sourcing centers during the season till date
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Futures Market Analysis: NCDEX MAIZE
- ❖ Davangere Market Analysis
- ❖ Annexure

## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to slightly firm during the week and are expected to trade steady in the near term. However, in Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 10 per quintal to Rs. 1480 per quintal while starch feed makers quoted it down by Rs. 20 per quintal to Rs. 1480 per quintal compared to last week.

In India, maize has been sown in around 20.32 lakh hectares as of 30<sup>th</sup> June'17 which is lower than 21.84 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 2.94 lakh hectare which is lower than 5.45 lakh hectare covered during corresponding period last year while in U.P; it has been sown in 1.52 lakh hectare which is lower than 3.07 lakh hectare covered during corresponding period last year. However, in Maharashtra, it has been sown in 2.08 lakh hectares which is higher than 0.36 lakh hectares covered during corresponding period last year and in M.P, it has been sown in 2.93 lakh hectares which is higher than 1.40 lakh hectares covered during corresponding period last year.

In Gulabgh, new crop of maize traded firm by Rs. 40 per quintal to Rs. 1280 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 short in Maize for August contract near 1336 levels for a target of 1318 and 1309 with a stop loss at 1345 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

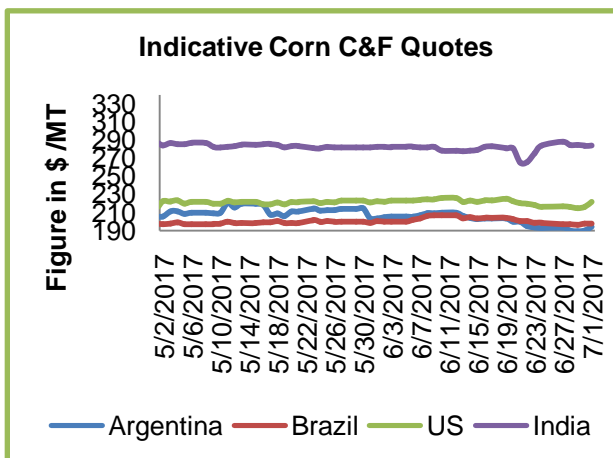
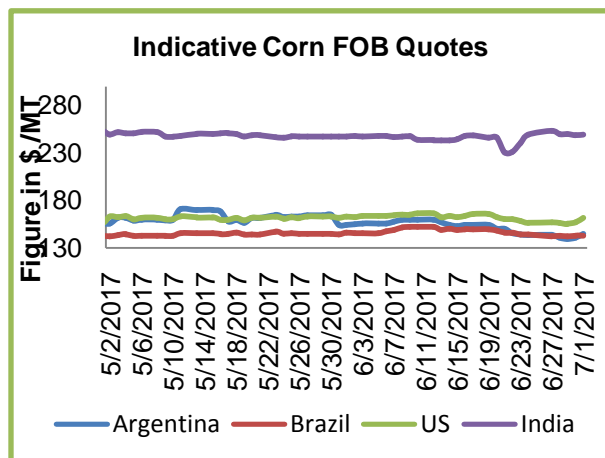
Corn prices on CBOT fall by 4.72 USD/MT to 140.45 USD/MT compared to last week for July contract.

At 1.02 MMT (for the period 16<sup>th</sup> June –22<sup>nd</sup> June, 2017) U.S corn exports were down 16 percent from the previous week and 14 percent from the prior 4-week average.

IGC raised its forecast for the 2016/17 global corn production by 4 MMT to 1069 MMT compared to previous forecast. However, it decreased its forecast for 2017/18 global corn production by 1 MMT to 1025 MMT compared to previous forecast.

In U.S, 4% crop of corn is at silking stage as of 25th June, 2017, lower by 1% compared to last year and last 5 year average period.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.64)				
As on 1.07.2017	Argentina	Brazil	US	India
<b>FOB</b>	144.29	142.85	161.60	249.13
<b>Cost and Freight (C&amp;F)</b>	194.29	197.85	221.60	284.13

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:

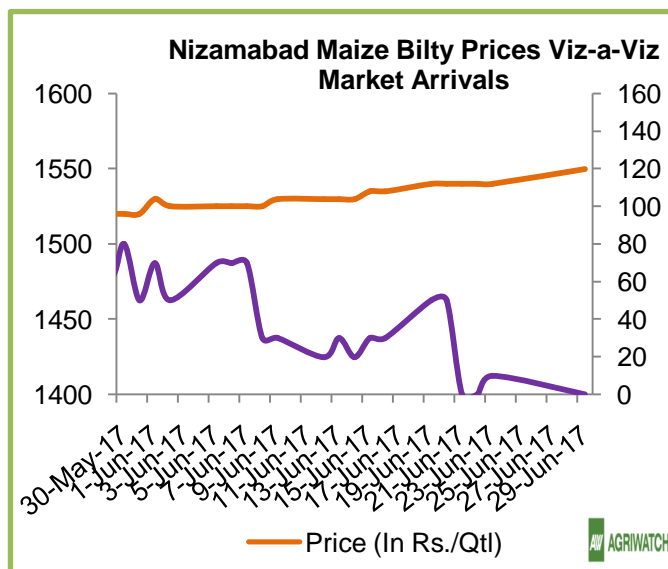
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>U.P</b>	14000 (Bihar Origin)	N.A
<b>Kolkata</b>	14250 (Bihar Origin)	N.A

### CURRENT MARKET DYNAMICS:

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

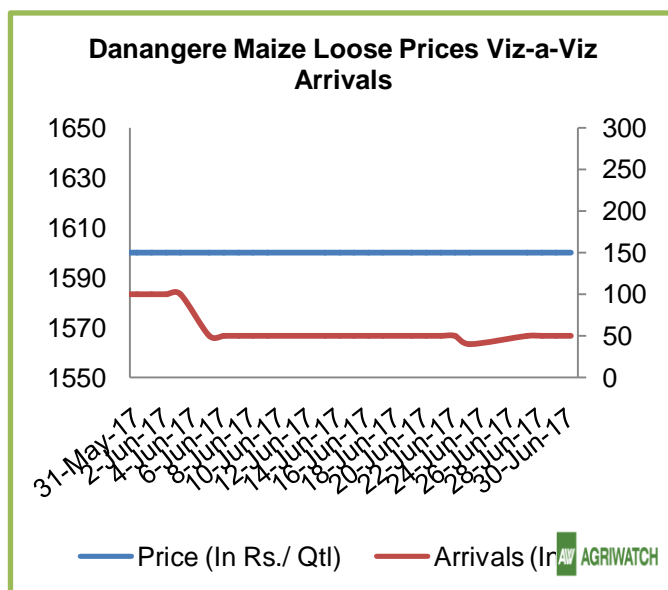
#### ANDHRA PRADESH:

- In Nizamabad, Maize (bilty) traded firm by Rs. 10 per quintal to Rs. 1550 per quintal compared to last week and is likely to trade steady in the near term. As per trade sources, soybean crop area is likely to shift towards maize. It is moving towards Hyderabad at Rs. 1650 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 to slightly firm in the near term. As per trade source, due to low rainfall, farmers have sown maize only in 10-15% area.

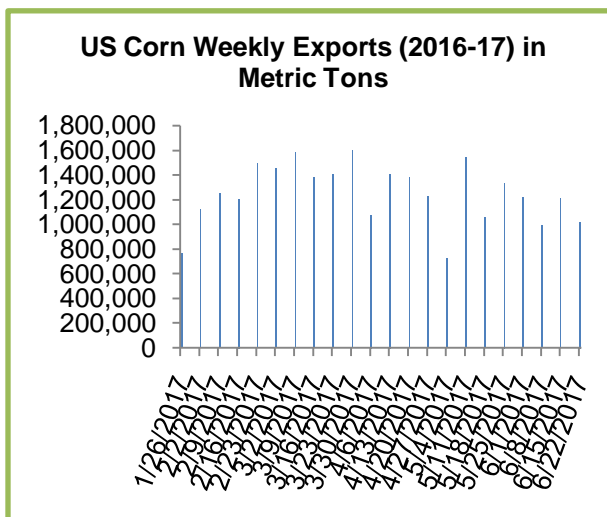


### DOMESTIC MAIZE OUTLOOK:

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 46.30 MMT in the 2016-17 marketing year. At 1.02 MMT (for the period 16<sup>th</sup> June – 22<sup>nd</sup> June, 2017) exports were down 16 percent from the previous week and 14 percent from the prior 4-week average. The primary destinations were Mexico (384,700 MT), Japan (199,200 MT), South Korea (197,100 MT), China (59,100 MT), and Colombia (52,800 MT).
- IGC raised its forecast for the 2016/17 global corn production by 4 MMT to 1069 MMT compared to previous forecast. However, it decreased its forecast for 2017/18 global corn production by 1 MMT to 1025 MMT compared to previous forecast. Meanwhile, forecast for global corn ending stock was up by 2 MMT to 199 MMT compared to last forecast for 2017/18 due to increase in carryover stock forecast for 2016/17.
- In U.S, 4% crop of corn is at silking stage as of 25th June, 2017, lower by 1% compared to last year and last 5 year average period. 67% crop of corn is in good to excellent condition, same compared to last week.
- South Korea's Korea Corn Processing Industry Association purchased about 60,000 MT of corn likely to be sourced from South America from trading group Midstar at about \$177.50 per MT c&f including surcharge for additional port unloading for arrival around Oct. 15.



### INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 4.72 USD/MT to 140.45 USD/MT compared to last week for July contract due to weak export demand for U.S corn.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(August Contract Weekly Chart)**

- Candlestick depicts down in the market.
- Prices closed below 9 days EMAs.
- Decrease in prices with higher OI indicates short build up.
- Strategy: Sell near 1336 for target 1318 and 1309 in the near term.

**Strategy: Sell**
**Maize NCDEX (August)**

Support & Resistance				
S2	S1	PCP	R1	R2
1287	1302	1318	1341	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	29-Jun-17	22-Jun-17	30-May-17	29-Jun-16	29-Jun-15
Gulabbagh	Bilty	1280	1240	1250	1600	1170
Delhi	Red (Bihar)	1280	1300	1425	1650	1220
Davangere	Loose Price	1600	1600	1600	1800	1350
Shimoga	Bilty	1620	1600	1570	1920	1310
Ranebennur	Bilty	1610	1570	1580	1800	1345
Bagalkot	Hybrid/Local	1540	1532	1538	NA	1320
Gadag	Local	1304	1309	1511	1386	1152
Nizamabad	Bilty	1550	1540	1520	1760	1300
Khanna	Bilty	1250	1225	1500	1660	1260
Sangli	Feed	1673	1670	1580	1920	1520
Ahmadabad	Feed	1480	1490	1510	1800	1350
	Starch	1480	1500	1530	1800	1360

<b>Maize CBOT Weekly Futures Price Listing (USD/Ton)</b>				
	<b>Contract Month</b>	<b>28-Jun-17</b>	<b>21-Jun-17</b>	<b>Change</b>
<b>Corn CBOT Prices</b>	<b>July-17</b>	140.45	145.17	<b>-4.72</b>
	<b>Sep-17</b>	144.19	148.32	<b>-4.13</b>
	<b>Dec-17</b>	148.12	152.26	<b>-4.14</b>
	<b>Mar-18</b>	151.96	156.00	<b>-4.04</b>
	<b>May-18</b>	154.42	158.26	<b>-3.84</b>

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