

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded firm during the week and are expected to trade steady to firm in the near term too. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 15 per quintal to Rs. 1490 per quintal while starch feed makers quoted it firm by Rs. 20 per quintal to Rs. 1490 per quintal compared to last week.

In India, maize has been sown in around 52.49 lakh hectares as of 14th July'17 which is lower than 55.49 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 5.21 lakh hectare which is lower than 8.75 lakh hectare covered during corresponding period last year while in U.P; it has been sown in 3.83 lakh hectare which is lower than 5.23 lakh hectare covered during corresponding period last year.

However, in Maharashtra, it has been sown in 5.39 lakh hectares which is higher than 4.34 lakh hectares covered during corresponding period last year and in M.P, it has been sown in 10.43 lakh hectares which is higher than 9.26 lakh hectares covered during corresponding period last year.

In Gulabghat, maize traded down by Rs. 50 per quintal to Rs. 1320 per quintal (Bilty) compared to last week. However, 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 August contract near 1380 levels for a target of 1392 and 1398 with a stop loss at 1373 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1800-1850 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

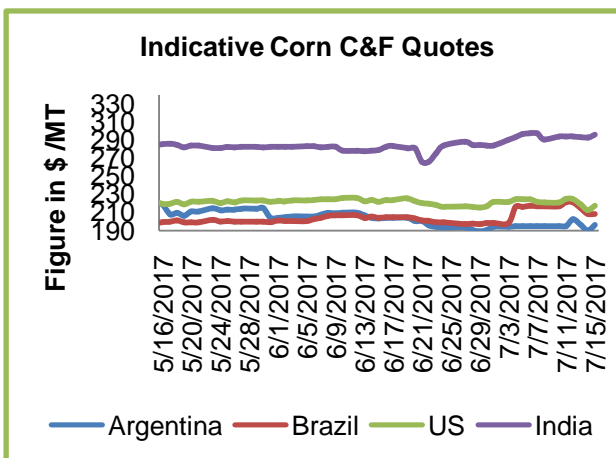
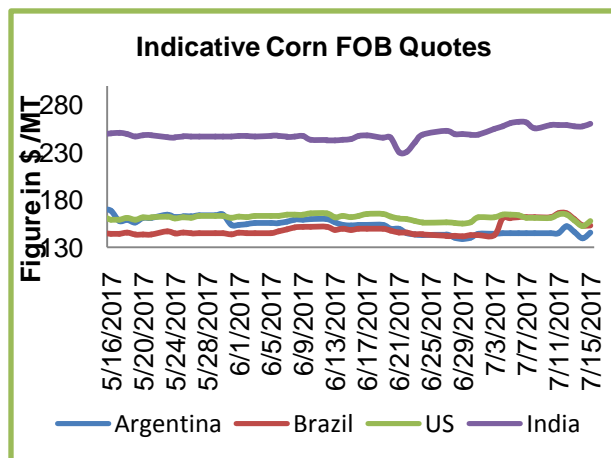
Corn prices on CBOT fall by 2.17 USD/MT to 148.12 USD/MT compared to last week for July contract on forecast of favorable weather conditions in U.S amid ample global corn stock.

At 0.88 MMT (for the period 30th June –6th July, 2017) U.S corn exports were down 21 percent from the previous week and 19 percent from the prior 4-week average.

In U.S, 19% crop of corn is at silking stage as of 9th July, 2017, lower by 11% compared to last year and 8% from last 5 year average period.

USDA raised its corn ending stock estimates for U.S by 5.46 MMT to 59.06 MMT for 2017/18 due to increase in production estimates by 4.82 MMT to 362.09 MMT for 2017/18.

USDA also increased its global corn ending stocks estimates by 6.48 MMT TO 200.811 MMT for 2017/18 compared to last month due to decrease in its production estimates by 5.034 MMT to 1036.898 MMT for 2017/18 compared to last month estimates.

EXPORT PARITY TREND

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.28)				
As on 15.07.2017	Argentina	Brazil	US	India
FOB	145.96	153.40	157.60	260.74
Cost and Freight (C&F)	195.96	208.40	217.60	295.74

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:

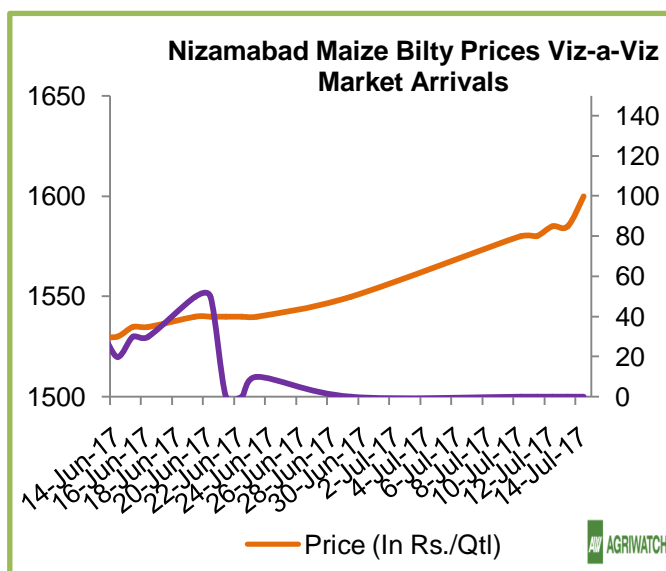
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkata	14600 (Bihar Origin)	N.A

CURRENT MARKET DYNAMICS:

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

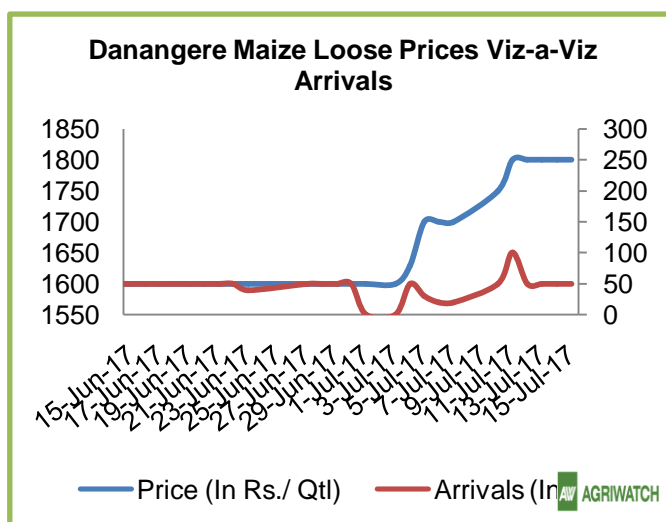
ANDHRA PRADESH:

- In Nizamabad, maize could trade steady to firm in the near term. As per trade sources, soybean crop area is likely to shift towards maize. It is moving towards Hyderabad at Rs. 1686 per quintal. Stock of maize could be around 70,000 quintals which was 100,000 quintals during corresponding period of last year.



KARNATAKA:

- In Davangere, Maize (loose) traded firm by Rs. 100 per quintal to Rs. 1800 per quintal compared to last week. Maize could trade firm in the near term as traders are not selling their stock on the expectation of further rise.

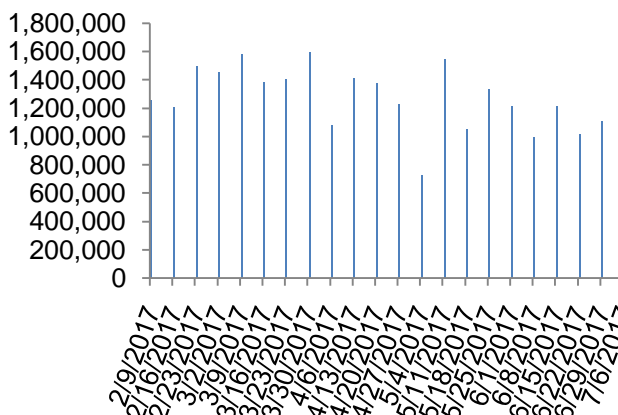


DOMESTIC MAIZE OUTLOOK:

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

INTERNATIONALS**MARKET:****HIGHLIGHTS/CURRENT DEVELOPMENTS**

- As per USDA, U.S corn exports reached 48.29 MMT in the 2016-17 marketing year. At 0.88 MMT (for the period 30th June –6th July, 2017) exports were down 21 percent from the previous week and 19 percent from the prior 4-weekaverage. The primary destinations were Mexico (246,200 MT), Taiwan (98,700 MT), Spain (94,500 MT), Japan (92,200MT), and Colombia (52,800 MT).
- In U.S, 19% crop of corn is at silking stage as of 9th July, 2017, lower by 11% compared to last year and 8% from last 5 year average period. 65% crop of corn is in good to excellent condition, down by 3% compared to last week.
- USDA raised its corn ending stock estimates for U.S by 5.46 MMT to 59.06 MMT for 2017/18 due to increase in production estimates by 4.82 MMT to 362.09 MMT for 2017/18.
- USDA also increased its global corn ending stocks estimates by 6.48 MMT TO 200.811 MMT for 2017/18 compared to last month due to decrease in its production estimates by 5.034 MMT to 1036.898 MMT for 2017/18 compared to last month estimates.
- Taiwan's feed industry procurement association MFIG purchased about 65,000 MT of corn likely to be sourced from Brazil at a premium of 68.37 U.S. cents c&f over the Chicago December 2017 corn contract; for the shipment between Sept. 16 to Oct. 5 if it is sourced from the U.S. Gulf, Brazil or Argentina. For the shipment around Oct. 1 to 20 if sourced from the U.S. Pacific North West coast or South Africa.

US Corn Weekly Exports (2016-17) in Metric Tons**INTERNATIONAL CORN OUTLOOK:**

Corn prices on CBOT fall by 2.17 USD/MT to 148.12 USD/MT compared to last week for July contract on forecast of favorable weather conditions in U.S amid ample global corn stock.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(August Contract Weekly Chart)

- Candlestick depicts gain in the market.
- Prices closed above 9 days EMAs.
- RSI is moving up in neutral zone.
- Increase in prices with higher OI indicates long build up.
- Strategy: Buy near 1380 for target 1392 and 1398 in the near term.

Strategy: Buy
Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1347	1366	1385	1400	1415

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1800-1850 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	13-Jul-17	6-Jul-17	13-Jun-17	13-Jul-16	13-Jul-15
Gulabgagh	Bilty	1320	1370	1240	1550	1260
Delhi	Hybrid(U.P)	1325	1300	1300	1575	1320
Davangere	Loose Price	1800	1700	1600	1700	1380
Shimoga	Bilty	1700	1620	1600	1900	1300
Ranebennur	Bilty	1600	1600	1580	1860	1420
Bagalkot	Hybrid/Local	1550	1530	1516	1600	1476
Gadag	Local	NA	1459	1024	1765	1311
Nizamabad	Bilty	1585	NA	1530	1760	1300
Khanna	Bilty	1280	1250	1280	1620	1280
Sangli	Feed	1705	1700	1655	1880	1560
Ahmadabad	Feed	1490	1475	1480	1760	1430
	Starch	1490	1470	1510	1750	1425

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	12-Jul-17	5-Jul-17	Change
Corn CBOT Prices	July-17	148.12	150.29	-2.17
	Sep-17	151.76	154.32	-2.56
	Dec-17	156.98	159.05	-2.07
	Mar-18	160.82	162.69	-1.87
	May-18	162.79	164.66	-1.87

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