



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 weak during the week due to low demand and are expected to trade range bound in the near term. In Ahmadabad region of Gujarat, poultry feed makers quoted maize steady at Rs. 1470 per quintal while starch feed makers quoted it firm by Rs. 10 per quintal to Rs. 1430 per quintal compared to last week.

In India, maize has been sown in around 69.14 lakh hectares as of 28th July'17 which is lower than 72.94 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 7.68 lakh hectare which is lower than 11.00 lakh hectare covered during corresponding period last year while in U.P; it has been sown in 6.46 lakh hectare which is lower than 6.74 lakh hectare covered during corresponding period last year.

However, in Maharashtra, it has been sown in 7.49 lakh hectares which is higher than 6.71 lakh hectares covered during corresponding period last year and in M.P, it has been sown in 12.58 lakh hectares which is higher than 12.03 lakh hectares covered during corresponding period last year.

In Gulabbagh, maize traded steady at Rs. 1350 per quintal (Bilty) compared to last week. Despite huge demand from Tamil Nadu, maize is likely to trade range bound due to low availability of high quality variety. Besides, stock of maize is high than corresponding period of last year which also put pressure on market sentiments.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for August contract near 1326 levels for a target of 1306 and 1296 with a stop loss at 1338 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1680-1700 per quintal for the week.

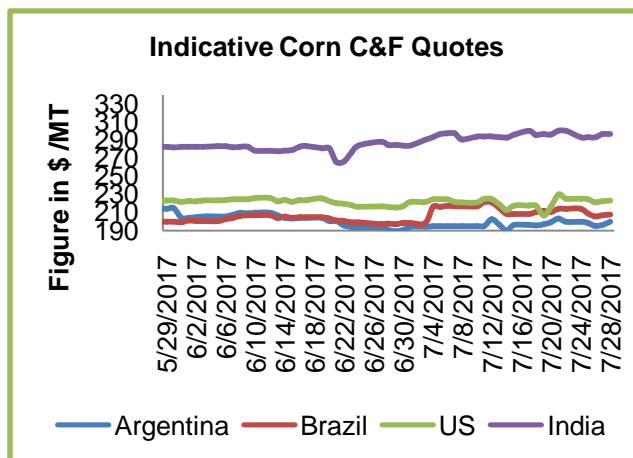
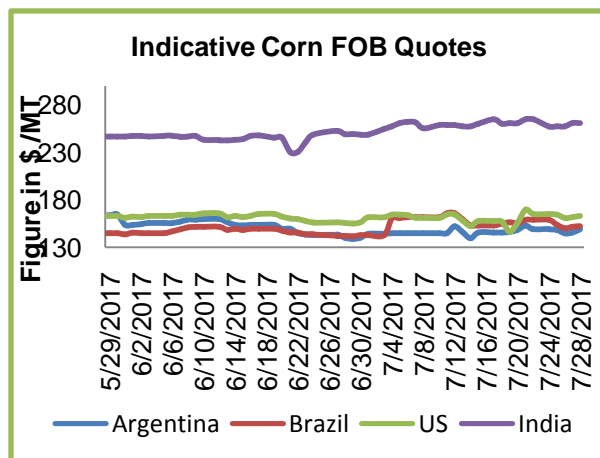
INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 3.83 USD/MT to 146.75 USD/MT compared to last week for September contract.

IGC decreased its forecast for 2017/18 global corn production by 5 MMT to 1020 MMT compared to previous forecast.

At 0.89 MMT (for the period 14th July –20th July, 2017) U.S corn exports were down 14 percent from the previous week and 12 percent from the prior 4-week average.

In U.S, 67% crop of corn is at silking stage as of 23rd July, 2017, lower by 9% compared to last year and 2% compared to last 5 year average period.

EXPORT PARITY TREND

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.14)				
As on 28.07.2017	Argentina	Brazil	US	India
FOB	149.31	152.5	163.11	261.31
Cost and Freight (C&F)	199.31	207.5	223.11	296.31

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:

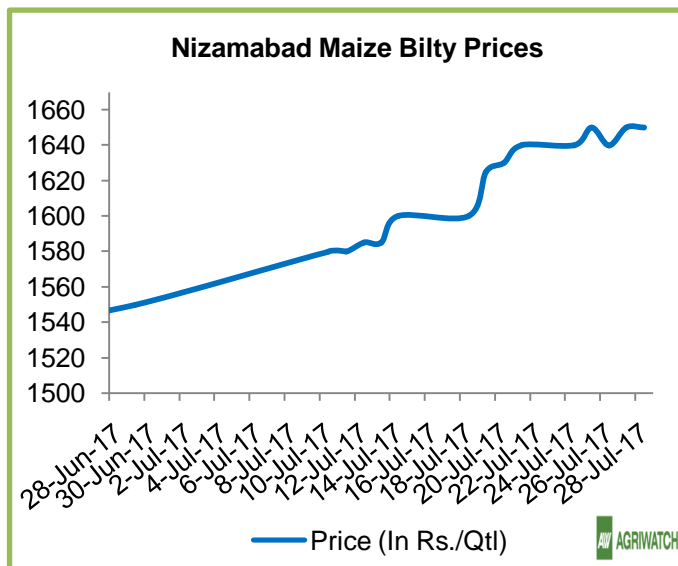
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkata	14000 (Bihar Origin)	N.A
U.P	14000 (Bihar Origin)	N.A
Nammakal	N.A	15800 (Bihar Origin)

CURRENT MARKET DYNAMICS:

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

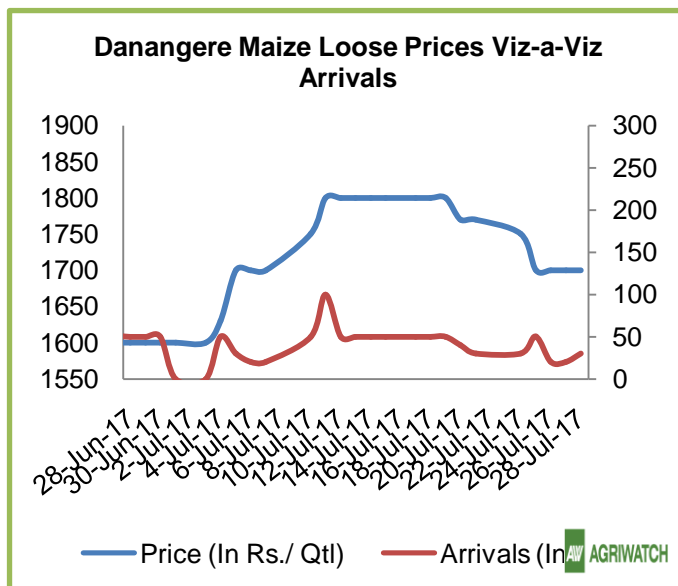
ANDHRA PRADESH:

- In Nizamabad, maize (bilty) could trade firm in a range of Rs. 1650-1680 per quintal in the near term. As per trade sources, maize area is likely to be same compared to last year. It is moving towards Hyderabad at Rs. 1750 per quintal. Stock of maize could be around 45,000 quintals which was same during corresponding period of last year.



KARNATAKA:

- In Davangere, Maize (loose) traded down by Rs. 70 per quintal to Rs. 1700 per quintal compared to last week. It could trade in a range of Rs. 1680-1700 per quintal in the near term due to low demand. As per trade source, around 10% area of groundnut and cotton is likely to shift towards maize.



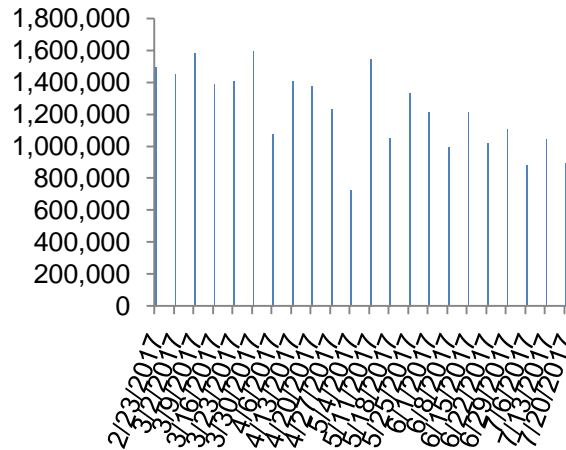
DOMESTIC MAIZE OUTLOOK:

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

INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- IGC decreased its forecast for 2017/18 global corn production by 5 MMT to 1020 MMT compared to previous forecast. Meanwhile, forecast for global corn ending stock was down by 2 MMT to 197 MMT compared to last forecast for 2017/18 due to decrease in production estimates for 2017/18.
- As per USDA, U.S corn exports reached 50.22 MMT in the 2017-18 marketing year. At 0.89 MMT (for the period 14th July – 20th July, 2017) exports were down 14 percent from the previous week and 12 percent compared to 4-week average. The primary destinations were Japan (295,400 MT), Mexico (248,100 MT), Taiwan (79,300 MT), Portugal (72,300 MT), and Colombia (54,900 MT).
- In U.S, 67% crop of corn is at silking stage as of 23rd July, 2017, lower by 9% compared to last year and 2% from last 5 year average period. 8% crop of corn is at dough stage, lower by 4% compared to last year and 5% from last 5 year average period. 62% crop of corn is in good to excellent condition, down by 1% compared to last week.

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



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 3.83 USD/MT to 146.75 USD/MT compared to last week for September contract due to low 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.
- RSI is moving down in neutral zone.
- Decrease in prices with lower OI indicates long liquidation.
- Strategy: Sell near 1326 for target 1306 and 1296 in the near term.

Strategy: Sell
Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1249	1287	1325	1361	1397

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1680-1700 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs./QUINTAL)

Market	Grade	27-Jul-17	20-Jul-17	27-Jun-17	27-Jul-16	27-Jul-15
Gulabgh	Bilty	1350	1350	1280	1560	1250
Delhi	Hybrid(U.P)	1300	1325	1290	1625	1400
Davangere	Loose Price	1700	1770	1600	1700	1450
Shimoga	Bilty	1720	1725	1620	1900	1380
Ranebennur	Bilty	NA	1700	1610	1790	1480
Bagalkot	Hybrid/Local	1480	1550	1556	1817	1500
Gadag	Local	NA	NA	1304	1650	1462
Nizamabad	Bilty	1650	1630	1540	1780	1350
Khanna	Bilty	1270	NA	1250	1630	1275
Sangli	Feed	1674	1705	1683	1870	1579
Ahmadabad	Feed	1470	1470	1500	1800	1475
	Starch	1430	1420	1505	1760	1450

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	26-Jul-17	19-Jul-17	Change
Corn CBOT Prices	Sep-17	146.75	150.58	-3.83
	Dec-17	151.96	156.00	-4.04
	Mar-18	156.59	160.23	-3.64
	May-18	158.56	162.30	-3.74
	July-18	160.43	164.17	-3.74

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