



# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to slightly 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 down by 2.50% to Rs. 1443 per quintal (weekly average price) while starch feed makers quoted it firm by 0.39 % to Rs. 1433 per quintal compared to last week average price.

In India, maize has been sown in around 72.31 lakh hectares as of 4<sup>th</sup> August'17 which is lower than 76.97 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 8.34 lakh hectare which is lower than 11.47 lakh hectare covered during corresponding period last year while in Maharashtra, it has been sown in 7.88 lakh hectares which is lower than 8.03 lakh hectares covered during corresponding period last year

However, in M.P, it has been sown in 12.72 lakh hectares which is higher than 12.12 lakh hectares covered during corresponding period last year and in U.P; it has been sown in 6.76 lakh hectare which is higher than 6.74 lakh hectare 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 1290 levels for a target of 1274 and 1266 with a stop loss at 1299 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1620-1650 per quintal for the week.

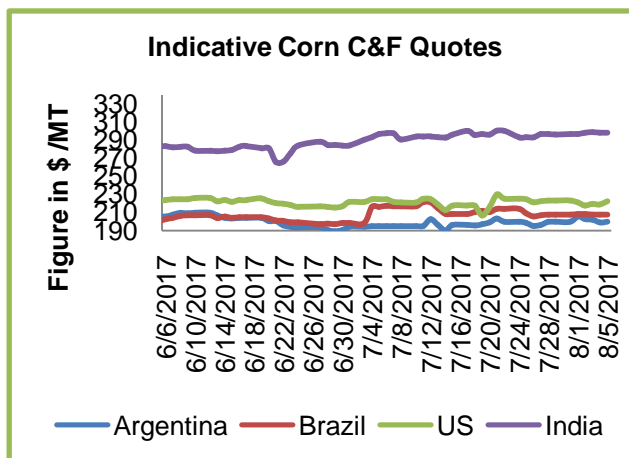
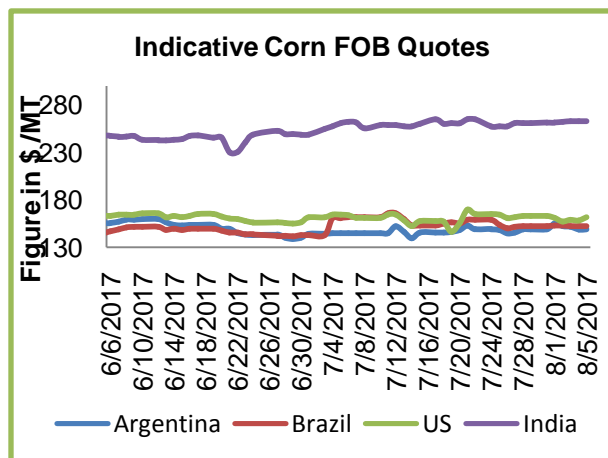
### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 3.06 USD/MT to 143.69 USD/MT compared to last week for September contract.

At 1.09 MMT (for the period 21st July –27th July, 2017) U.S corn exports were up 22 percent from the previous week and 11 percent from the prior 4-week average.

In U.S, 85% crop of corn is at silking stage as of 30<sup>th</sup> July, 2017, lower by 4% compared to last year but same from last 5 year average period. 23% crop of corn is at dough stage, lower by 5% compared to last year and 2% from last 5 year average period. 61% crop of corn is in good to excellent condition, down by 1% compared to last week.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 63.68)				
As on 5.08.2017	Argentina	Brazil	US	India
<b>FOB</b>	149.41	152.20	162.00	263.20
<b>Cost and Freight (C&amp;F)</b>	199.41	207.20	222.00	298.20

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:

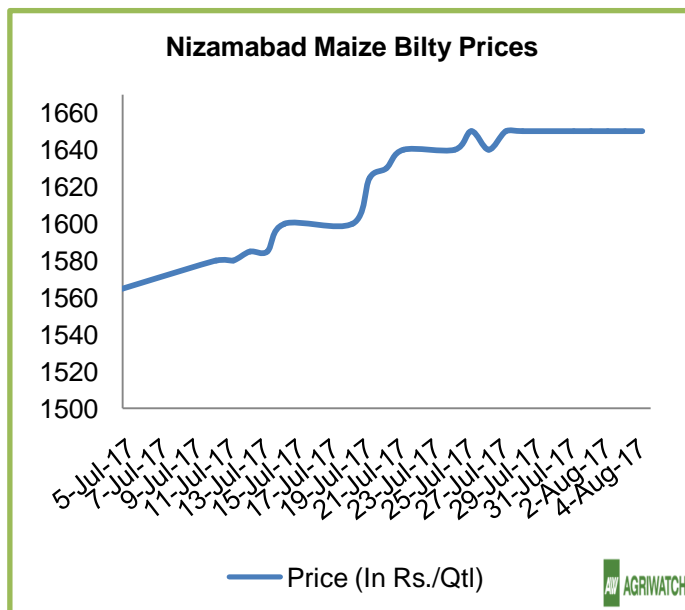
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Kolkata</b>	13500 (Bihar Origin)	N.A
<b>U.P</b>	13500 (Bihar Origin)	N.A

## CURRENT MARKET DYNAMICS:

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

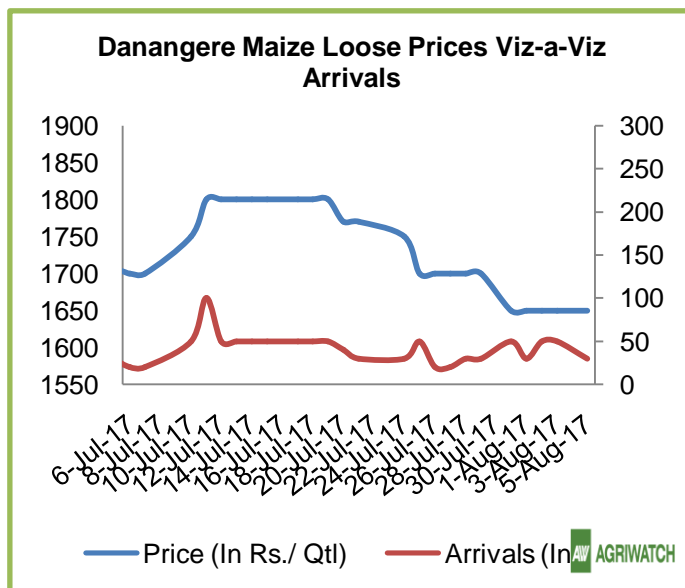
### ANDHRA PRADESH:

- In Nizamabad, maize (bilty) quoted steady at Rs. 1650 per quintal compared to corresponding period last week. Maize (bilty) could trade firm in a range of Rs. 1650-1680 per quintal in the near term. As per trade a source, 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. 50 per quintal to Rs. 1650 per quintal compared to last week. It could trade in a range of Rs. 1620-1650 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.

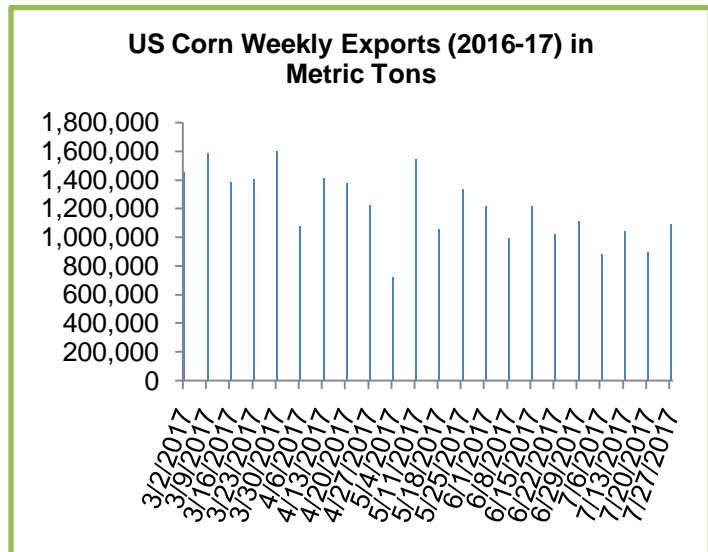


## DOMESTIC MAIZE OUTLOOK:

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

**INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS**

- As per USDA, U.S corn exports reached 51.31 MMT in the 2017-18 marketing year. At 1.09 MMT (for the period 21st July –27th July, 2017) exports were up 22 percent from the previous week and 11 percent from the prior 4-week average. The primary destinations were Mexico (263,600 MT), Japan (250,800 MT), Colombia (152,600 MT), South Korea (130,900 MT), and China (92,200 MT).
- In U.S, 85% crop of corn is at silking stage as of 30<sup>th</sup> July, 2017, lower by 4% compared to last year but same from last 5 year average period. 23% crop of corn is at dough stage, lower by 5% compared to last year and 2% from last 5 year average period. 61% crop of corn is in good to excellent condition, down by 1% compared to last week.

**INTERNATIONAL CORN OUTLOOK:**

Corn prices on CBOT fall by 3.06 USD/MT to 143.69 USD/MT compared to last week for September contract.

### 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 volume and OI indicates consolidation.
- Strategy: Sell near 1290 for target 1274 and 1266 in the near term.

#### Strategy: Sell

#### Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1238	1263	1290	1314	1338

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1620-1650 per quintal for the week.

### ANNEXURE

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

Market	Grade	3-Aug-17	27-Jul-17	4-Jul-17	3-Aug-16	3-Aug-15
Gulabghagh	Bilty	1350	1350	1340	1500	1240
Delhi	Hybrid(U.P)	1350	1300	1260	1600	1400
Davangere	Loose Price	1650	1700	1630	1700	1450
Shimoga	Bilty	NA	1720	1620	1861	1430
Ranebennur	Bilty	1710	1750	1600	1790	1500
Bagalkot	Hybrid/Local	NA	1480	1541	1711	1300
Gadag	Local	NA	1480	1369	1770	1462
Nizamabad	Bilty	1650	1650	Closed	1750	1400
Khanna	Bilty	1250	1270	1260	1630	1305
Sangli	Feed	1650	1674	1700	1870	1560
Ahmadabad	Feed	1450	Closed	1470	1770	1450
	Starch	1450	Closed	1470	1775	1470

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	2-Aug-17	26-Jul-17	Change
Corn CBOT Prices	Sep-17	143.69	146.75	-3.06
	Dec-17	149.21	151.96	-2.75
	Mar-18	153.93	156.59	-2.66
	May-18	156.10	158.56	-2.46
	July-18	158.26	160.43	-2.17

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