



# 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. Davangere market was closed most of the days during last week as there is an issue that traders have to pay farmers payment within same day. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 0.76% to Rs. 1454 per quintal (weekly average price) while starch feed makers quoted it down by 1.95 % to Rs. 1405 per quintal compared to last week average price.

In India, maize has been sown in around 75.68 lakh hectares as of 11<sup>th</sup> August'17 which is lower than 80.84 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 9.05 lakh hectare which is lower than 12.01 lakh hectare covered during corresponding period last year while in Maharashtra, it has been sown in 8.62 lakh hectares which is lower than 8.66 lakh hectares covered during corresponding period last year and in U.P; it has been sown in 7.22 lakh hectare which is lower than 7.81 lakh hectare covered during corresponding period last year.

However, in M.P, it has been sown in 13.11 lakh hectares which is higher than 12.59 lakh hectares covered during corresponding period last year.

As per trade source, In Karnataka, around 15-20% area of cotton and 10% area of moong dal has shifted towards maize. However, in 70% rain fed area, 20% area is likely to shift towards jowar and sunflower. Meanwhile, in Maharashtra, 20% area of cotton has shifted towards maize.

In Nizamabad, 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. Stock of maize could be around 35,000 quintals which was same during corresponding period of last year.

### RECOMMENDATION:

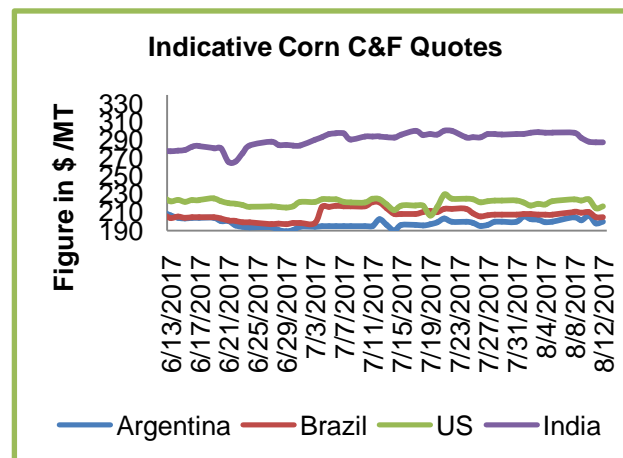
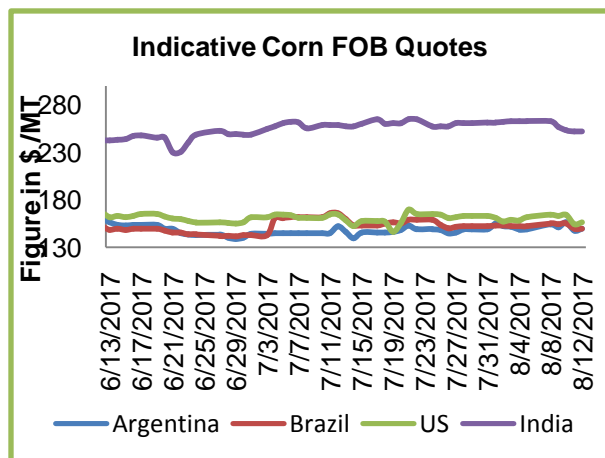
Weekly Call - : Market participants are advised to go long in Maize for September contract near 1330 levels for a target of 1350 and 1360 with a stop loss at 1318 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1620-1650 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 2.86 USD/MT to 146.55 USD/MT compared to last week for September contract as USDA decreased its corn ending stock estimates for U.S by 1.322 MMT to 57.738 MMT for 2017/18 due to decrease in production estimates by 2.592 MMT to 359.502 MMT for 2017/18.

At 0.97 MMT (for the period 28th July –3rd August, 2017) U.S corn exports were down 11 percent from the previous week, but unchanged from the prior 4-week average.

In U.S, 93% crop of corn is at silking stage as of 6<sup>th</sup> August, 2017, lower by 3% compared to last year and 1% from last 5 year average period. 42% crop of corn is at dough stage, lower by 8% compared to last year and 2% from last 5 year average period.

EXPORT PARITY TREND

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.12)				
As on 12.08.2017	Argentina	Brazil	US	India
FOB	149.51	149.50	156.47	252.73
Cost and Freight (C&F)	199.51	204.50	216.47	287.73

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:

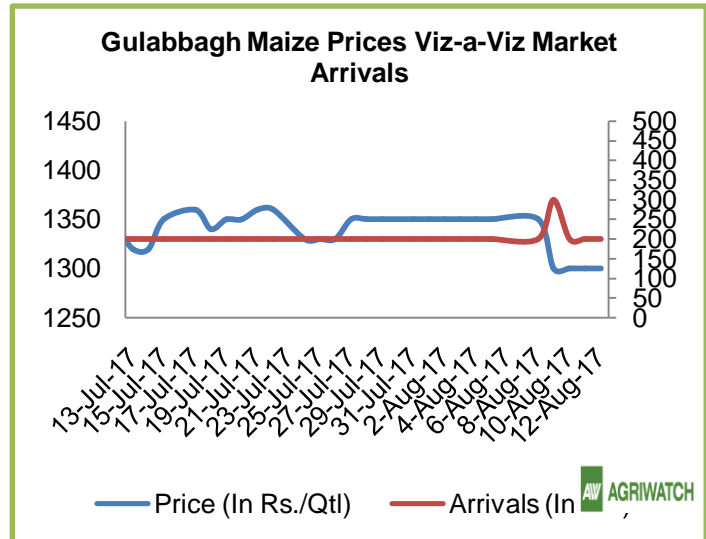
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkata	14000 (Bihar Origin)	N.A

CURRENT MARKET DYNAMICS:

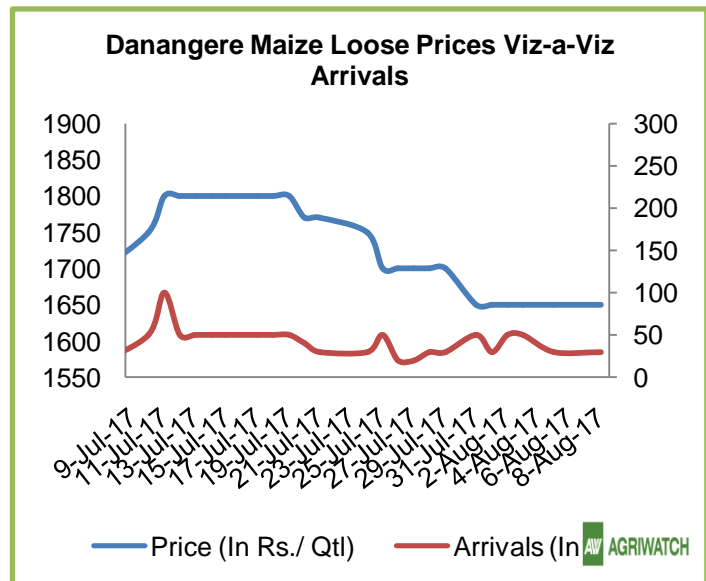
During the week under review, overall steady to slightly weak sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

GULABBAGH:

- In Gulabbagh, maize traded down by Rs. 50 per quintal to Rs. 1300 per quintal (Bilty) compared to last week. As stock of maize is higher than corresponding period of last year which also put pressurized market sentiments.

KARNATAKA:

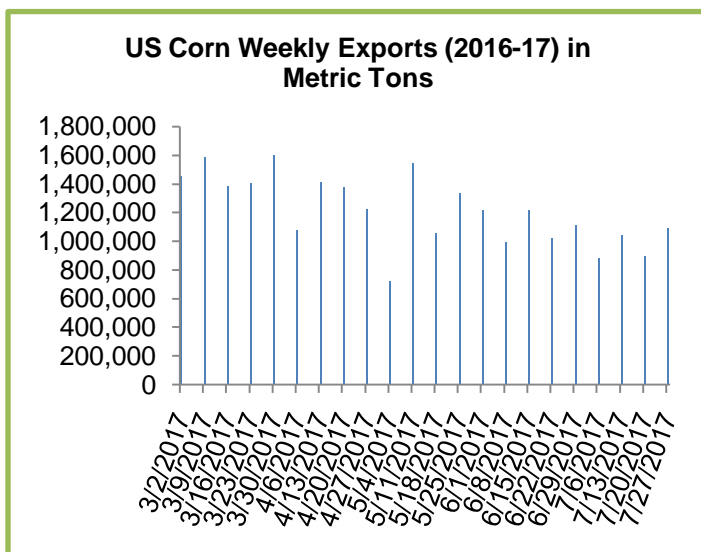
- Davangere market was closed most of the days during last week as there is an issue that traders have to pay farmers payment within same day. It could trade in a range of Rs. 1620-1650 per quintal in the near term due to low poultry feed makers demand. In Karnataka, stock of maize could be around 3,00,000 MT which was 4,50,000 MT during corresponding period last year.

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 52.29 MMT in the 2017-18 marketing year. At 0.97 MMT (for the period 28th July –3rd August, 2017) exports were down 11 percent from the previous week, but unchanged from the prior 4-week average. The primary destinations were Japan (328,100 MT), Mexico (245,400 MT), Colombia (108,900 MT), South Korea (74,200 MT), and China (68,800 MT).
- In U.S, 93% crop of corn is at silking stage as of 6<sup>th</sup> August, 2017, lower by 3% compared to last year and 1% from last 5 year average period. 42% crop of corn is at dough stage, lower by 8% compared to last year and 2% from last 5 year average period. 7% crop of corn has dented, lower by 1% compared to last year and 4% from last 5 year average period. 60% crop of corn is in good to excellent condition, down by 1% compared to last week.
- USDA decreased its corn ending stock estimates for U.S by 1.322 MMT to 57.738 MMT for 2017/18 due to decrease in production estimates by 2.592 MMT to 359.502 MMT for 2017/18.
- However, USDA increased its global corn ending stocks estimates by 0.055 MMT TO 200.866 MMT for 2017/18 compared to last month due to fall in domestic consumption estimates by 0.535 MMT for 2017/18 compared to last month estimates.

**INTERNATIONAL CORN OUTLOOK:**

Corn prices on CBOT rose by 2.86 USD/MT to 146.55 USD/MT compared to last week for September contract.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(September Contract Weekly Chart)**

- Candlestick depicts gain in the market.
- Prices closed below 9 days EMAs.
- RSI is moving up in neutral zone.
- Increase in prices with higher volume and OI indicates long build up.
- Strategy: Buy near 1330 for target 1350 and 1360 in the near term.

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

Support & Resistance				
S2	S1	PCP	R1	R2
1284	1303	1322	1360	1373

### 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	10-Aug-17	3-Aug-17	10-Jul-17	10-Aug-16	10-Aug-15
Gulabbagh	Bilty	1300	1350	1340	1525	1300
Delhi	Hybrid(U.P)	1300	1350	1325	1600	1400
Davangere	Loose Price	Closed	1650	1800	1650	1450
Shimoga	Bilty	NA	NA	1700	1875	1400
Ranebennur	Bilty	1700	1710	1610	1820	1485
Bagalkot	Hybrid/Local	NA	NA	1611	1679	NA
Gadag	Local	NA	NA	1477	1798	1462
Nizamabad	Bilty	1650	1650	1580	1730	1400
Khanna	Bilty	1250	1250	1300	1625	1280
Sangli	Feed	1640	1650	1710	1820	1572
Ahmadabad	Feed	1480	1450	1450	1750	1460
	Starch	1350	1450	1475	1780	1510

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	9-Aug-17	2-Aug-17	Change
Corn CBOT Prices	Sep-17	146.55	143.69	2.86
	Dec-17	152.06	149.21	2.85
	Mar-18	156.69	153.93	2.76
	May-18	158.95	156.10	2.85
	July-18	160.92	158.26	2.66

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