



Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded steady to firm during the week. However, it is expected to trade steady to slightly weak for this week amid sluggish demand. It is expected to increase poultry feed makers demand soon which could support market to gain. Davangere market was closed during last week as there is an issue that traders have to pay farmers payment within same day. Meanwhile, in Gulabbagh, arrivals were disrupted due to flood. Besides, In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 0.07% to Rs. 1453 per quintal (weekly average price) while starch feed makers quoted it firm by 0.14 % to Rs. 1407 per quintal compared to last week average price. In Nizamabad, maize (bilty) could trade slightly down in a range of Rs. 1550-1600 per quintal in the near term amid sluggish demand. 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.

In India, maize has been sown in around 76.72 lakh hectares as of 18th August'17 which is lower than 81.55 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 9.46 lakh hectare which is lower than 12.27 lakh hectare 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 13.14 lakh hectares which is higher than 12.59 lakh hectares covered during corresponding period last year while in Maharashtra, it has been sown in 8.85 lakh hectares which is higher than 8.82 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.

As per 4th advanced estimates for 2016-17, released by Ministry of Agriculture, Production of maize for Total season is estimated at 26.26 MMT, higher by 3.69 MMT from the Final estimate for 2015-16.

RECOMMENDATION:

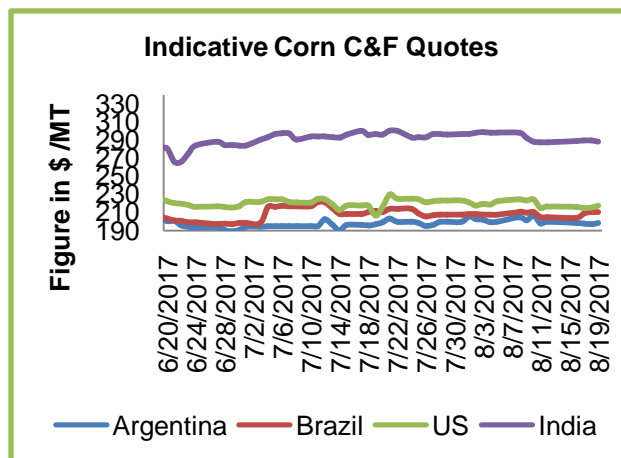
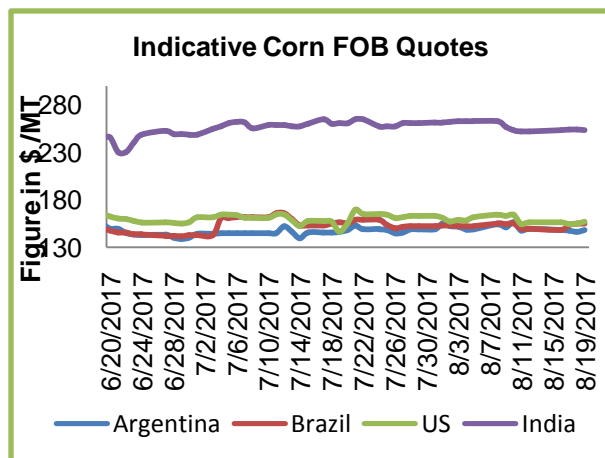
Weekly Call - : Market participants are advised to go short in Maize for September contract near 1330 levels for a target of 1316 and 1309 with a stop loss at 1338 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1620-1650 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 7.78 USD/MT to 138.77 USD/MT compared to last week for September contract.

At 0.69 MMT (for the period 4th August –10th August, 2017) U.S corn exports were down 28 percent from the previous week and 30 percent from the prior 4-week average.

In U.S, 97% crop of corn is at silking stage as of 13th August, 2017, higher by 2% compared to last year and 1% from last 5 year average period.

EXPORT PARITY TREND

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.14)				
As on 19.08.2017	Argentina	Brazil	US	India
FOB	148.43	155.1	157.06	253.44
Cost and Freight (C&F)	198.43	210.1	217.06	288.44

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:

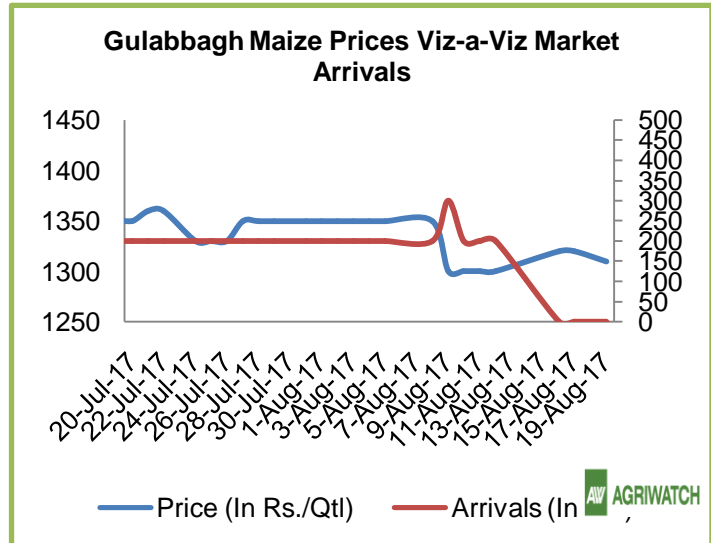
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkata	14000 (Bihar Origin)	N.A
Allahabad	14500 (Bihar Origin)	

CURRENT MARKET DYNAMICS:

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

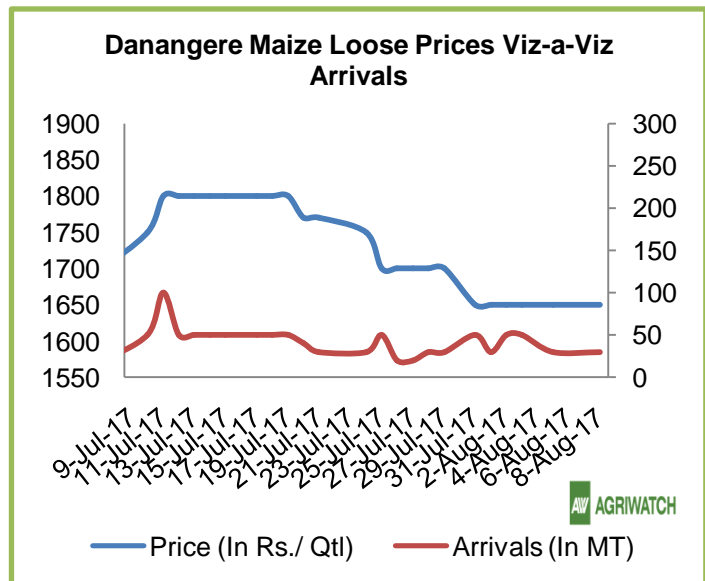
GULABBAGH:

- In Gulabbagh, maize traded firm by Rs. 20 per quintal to Rs. 1320 per quintal (Bilty) compared to last week. Arrivals are disrupted due to flood. Maize could trade steady despite sluggish demand.



KARNATAKA:

- Davangere market was closed during last week as there is an issue that traders have to pay farmers payment within same day. 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 steady to slightly weak till the demand of poultry feed makers arrives into the market.

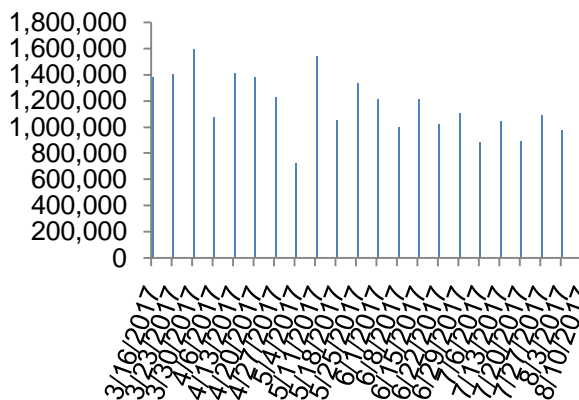
INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 52.99 MMT in the 2017-18 marketing year. At 0.69 MMT (for the period 4th August –10th August, 2017) exports were down 28 percent from the previous week and 30 percent from the prior 4-week average. The primary destinations were Mexico (304,800 MT), South Korea (71,500 MT), China (67,000 MT), Colombia (46,900 MT), and Peru (38,200 MT).
- In U.S, 97% crop of corn is at silking stage as of 13th August, 2017, higher by 2% compared to last year and 1% from last 5 year average period. 61% crop of corn is at dough stage, lower by 9% compared to last year and 1% from last 5 year average period. 16% crop of corn has dented, lower by 3% compared to last year and 4% from last 5 year average period. 62% crop of corn is in good to excellent condition, improved by 2% compared to last week.

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



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 7.78 USD/MT to 138.77 USD/MT compared to last week for September contract. Rain forecast for Midwest corn could weigh on market sentiments.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(September Contract Weekly Chart)

- Candlestick depicts gain in the market.
- RSI is moving in neutral zone.
- Increase in prices with higher volume and OI indicates long build up.
- However, Prices closed below 9 days EMAs.
- Strategy: Sell near 1330 for target 1316 and 1309 in the near term.

Strategy: Sell
Maize NCDEX (September)

Support & Resistance				
S2	S1	PCP	R1	R2
1285	1307	1330	1353	1376

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	17-Aug-17	10-Aug-17	17-Jul-17	17-Aug-16	17-Aug-15
Gulabbagh	Bilty	1320	1300	1360	1530	1360
Delhi	Hybrid(U.P)	1350	1300	1325	1600	1370
Davangere	Loose Price	Closed	Closed	NA	1650	1450
Shimoga	Bilty	1700	1700	1710	1765	1400
Ranebennur	Bilty	NA	1720	1700	1850	1500
Bagalkot	Hybrid/Local	NA	NA	1601	NA	1139
Gadag	Local	NA	NA	1612	1770	1139
Nizamabad	Bilty	NA	1650	Closed	1700	1450
Khanna	Bilty	1280	1250	1250	1610	1320
Sangli	Feed	1660	1640	1702	1800	1585
Ahmadabad	Feed	1440	1480	1470	1735	1500
	Starch	1400	1350	1480	1750	1525

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	16-Aug-17	9-Aug-17	Change
Corn CBOT Prices	Sep-17	138.77	146.55	-7.78
	Dec-17	144.28	152.06	-7.78
	Mar-18	148.91	156.69	-7.78
	May-18	151.37	158.95	-7.58
	July-18	153.63	160.92	-7.29

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