



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to firm movement during the week. In Ahmadabad region of Gujarat, poultry feed makers quoted maize steady at Rs. 1468 per quintal (weekly average price) while starch feed makers quoted it firm by 2.35 % to Rs. 1478 per quintal compared to last week average price.

International factors like plentiful supplies of old U.S. corn crop amid expectations of a large new crop harvest could weigh on market sentiments while in Domestic market, arrivals from Nizamabad region are expected after mid September. Besides, in Karnataka region, weather conditions have improved which are also bearish factors. However, expectation of feed makers demand could support markets to gain so overall maize markets are expected to trade range bound in the near term.

In India, maize has been sown in around 78.66 lakh hectares as of 1st September'17 which is lower than 82.87 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 10.59 lakh hectare which is lower than 12.59 lakh hectare covered during corresponding period last year and in U.P; it has been sown in 7.26 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 13.17 lakh hectares which is higher than 12.63 lakh hectares covered during corresponding period last year while in Maharashtra, it has been sown in 9.12 lakh hectares which is higher than 9.19 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.

Crop yield is likely to be affected in some parts of Karnataka, Maharashtra, A.P and Telengana growing region of maize due to late start sowing as well as less rainfall during vegetative growth stage.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for September contract near 1294 levels for a target of 1306 and 1312 with a stop loss at 1287 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1530-1550 per quintal for the week.

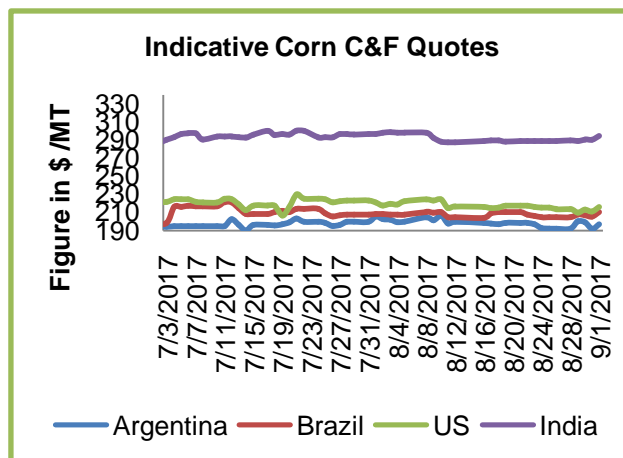
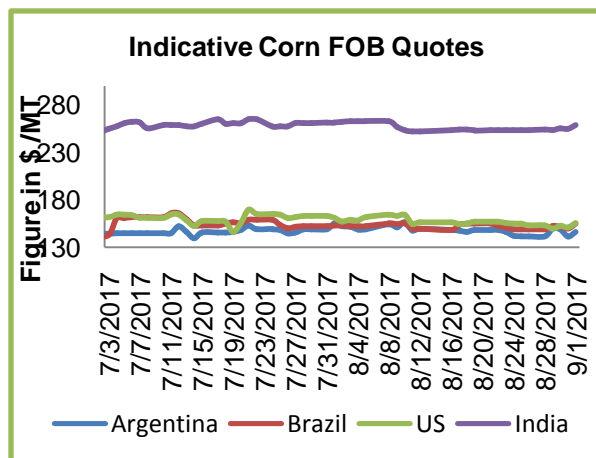
INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 4.92 USD/MT to 129.72 USD/MT compared to last week for September contract.

At 0.72 MMT (for the period 18th August –24th August, 2017) U.S corn exports were up 36 percent from the previous week and 13 percent from the prior 4-week average.

In U.S, 86% crop of corn is at dough stage as of 27th August, 2017, lower by 5% 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. 63.98)				
As on 1.09.2017	Argentina	Brazil	US	India
FOB	146.56	155.00	156.15	259.28
Cost and Freight (C&F)	196.56	210.00	216.15	294.28

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 WEEK:

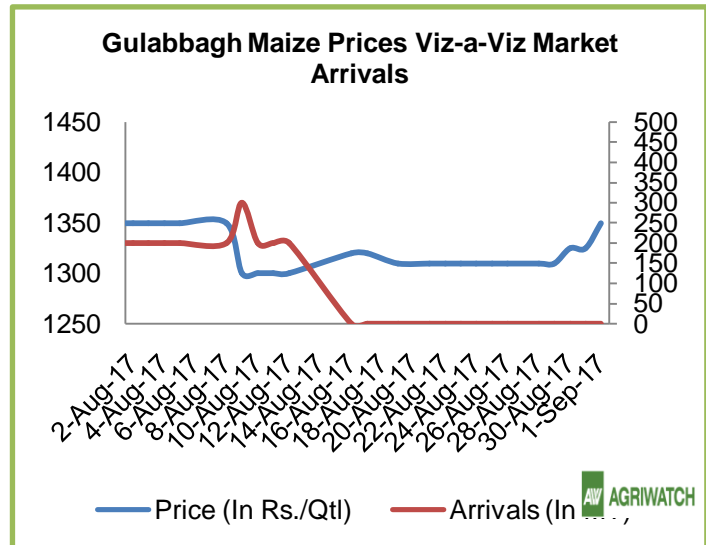
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkata	14000 (Bihar Origin)	N.A

CURRENT MARKET DYNAMICS:

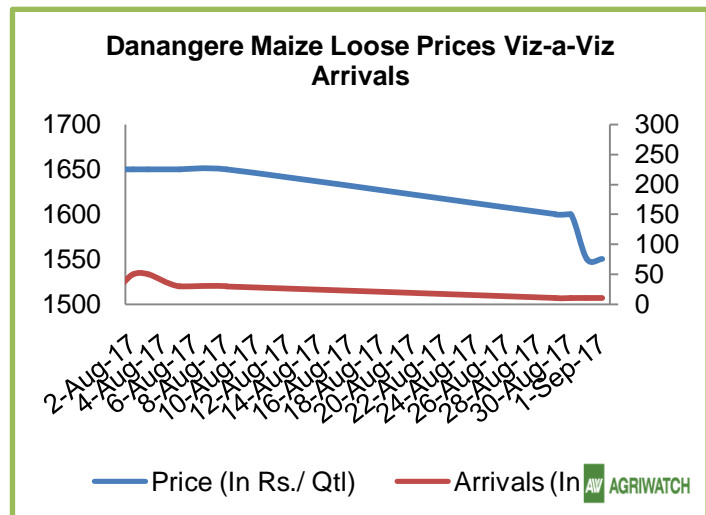
During the week under review, overall steady to firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

GULABBAGH:

- In Gulabbagh, maize traded firm by Rs. 15 per quintal to Rs. 1325 per quintal (Bilty) compared to last week. Maize could trade steady to slightly firm in the near term.

KARNATAKA:

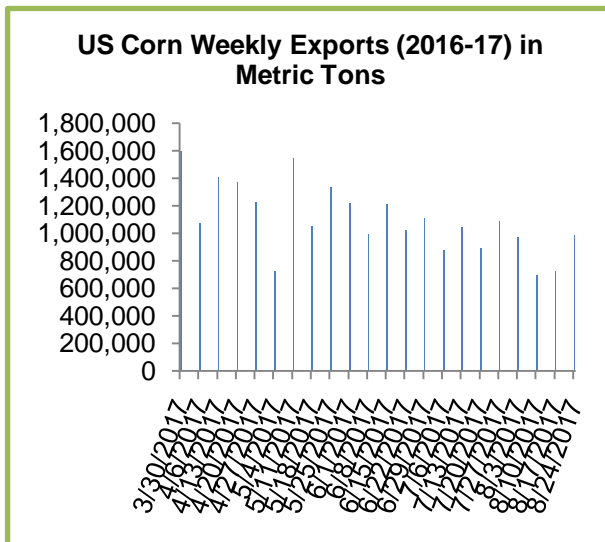
- In Davangere, stock of maize could be around 5,000 MT which was 2,000 MT during corresponding period last year. Maize could trade steady to weak amid sluggish demand and good weather conditions for the growing crop.

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 54.69 MMT in the 2017-18 marketing year. At 0.72 MMT (for the period 18th August – 24th August, 2017) exports were up 36 percent from the previous week and 13 percent from the prior 4-week average. The primary destinations were Mexico (348,700 MT), Japan (201,500 MT), China (142,200 MT), Colombia (85,700 MT), and Guatemala (62,600 MT).
- In U.S, 86% crop of corn is at dough stage as of 27th August, 2017, lower by 5% compared to last year and 1% from last 5 year average period. 44% crop of corn has dented, lower by 13% compared to last year and 7% from last 5 year average period. 62% crop of corn is in good to excellent condition, same compared to last week.
- Korea Corn Processing Industry Association of South Korea purchased about 60,000 MT of corn at about \$186.98 / MT c&f including surcharge for additional port unloading for arrival around Dec. 20. It can be sourced from optional origins and contain genetically-modified organisms.



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 4.92 USD/MT to 129.72 USD/MT compared to last week for September contract and is expected to trade down amid plentiful supplies of old U.S. corn crop and expectations of a large new crop harvest in the coming months.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(September Contract Weekly Chart)

- Candlestick depicts range bound movement in the market.
- RSI is moving in oversold zone might take correction.
- Decrease in prices with lower OI indicates long liquidation.
- Prices closed below 9 days EMAs.
- Strategy: Buy near 1294 for target 1306 and 1312 in the near term.

Strategy: Buy
Maize NCDEX (September)

Support & Resistance				
S2	S1	PCP	R1	R2
1270	1285	1300	1313	1322

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1530-1550 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	31-Aug-17	24-Aug-17	31-Jul-17	31-Aug-16	31-Aug-15
Gulabgadh	Bilty	1325	1310	1350	NR	1420
Delhi	Hybrid(U.P)	1325	1325	1300	1550	1480
Davangere	Loose Price	1550	Closed	1650	1750	1520
Shimoga	Bilty	1620	NA	NA	NA	1460
Ranebennur	Bilty	NA	NA	NA	1800	1505
Bagalkot	Hybrid/Local	1455	NA	NA	NA	NA
Gadag	Local	NA	NA	NA	NA	NA
Nizamabad	Bilty	NA	NA	1650	1750	1550
Khanna	Bilty	1310	1290	NA	1610	1375
Sangli	Feed	1624	1670	1661	1900	1700
Ahmadabad	Feed	1460	1460	1440	1780	1600
	Starch	1470	1430	1400	1700	1625

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	30-Aug-17	23-Aug-17	Change
Corn CBOT Prices	Sep-17	129.72	134.64	-4.92
	Dec-17	136.02	140.05	-4.03
	Mar-18	141.04	144.97	-3.93
	May-18	143.99	147.53	-3.54
	July-18	146.55	149.80	-3.25

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