



Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded steady to weak during the week amid sluggish demand and is likely to trade steady to weak in near term amid new crop arrival pressure. In Nizamabad market, arrivals of new crop of maize has started which are lower in quantity and contains high moisture level i.e. 18%. It is being traded at Rs. 1350-1400 per quintal (loose price). Stock of maize could be around 3,000 MT which was 2,000 MT during corresponding period of last year.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 0.95% to Rs. 1463 per quintal (weekly average price) while starch feed makers quoted it down by 3.38 % to Rs. 1428 per quintal compared to last week average price.

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:

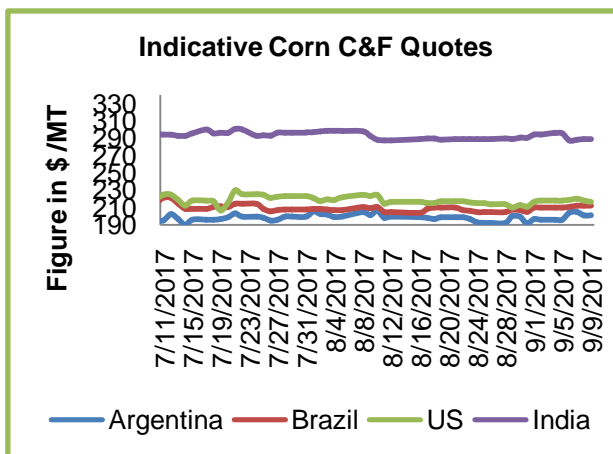
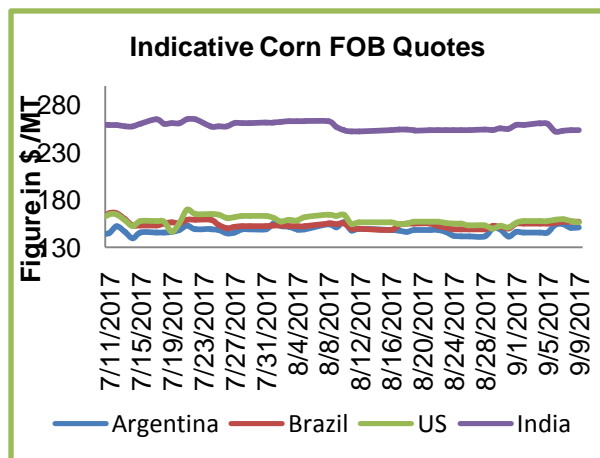
Weekly Call - : Market participants are advised to go short in Maize for September contract near 1250 levels for a target of 1214 and 1196 with a stop loss at 1271 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1470-1500 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 6.89 USD/MT to 136.61 USD/MT compared to last week for September contract.

At 0.69 MMT (for the period 24th August –31st August, 2017) U.S corn exports were down 29 percent from the previous week and 18 percent from the prior 4-week average.

EXPORT PARITY TREND



| Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 63.88) | | | | |
|--|-----------|--------|--------|--------|
| As on 9.09.2017 | Argentina | Brazil | US | India |
| FOB | 151.28 | 156.90 | 156.20 | 253.68 |
| Cost and Freight (C&F) | 201.28 | 211.90 | 216.20 | 288.68 |

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:

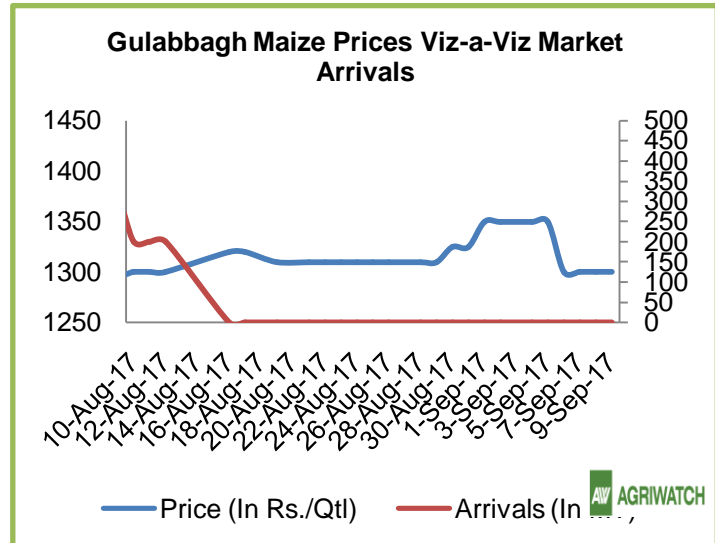
| Destination | By Road (Rs/MT) | By Rake (Rs/MT) |
|----------------|-------------------------|-----------------|
| Kolkata | 14250 (Bihar Origin) | N.A |

CURRENT MARKET DYNAMICS:

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

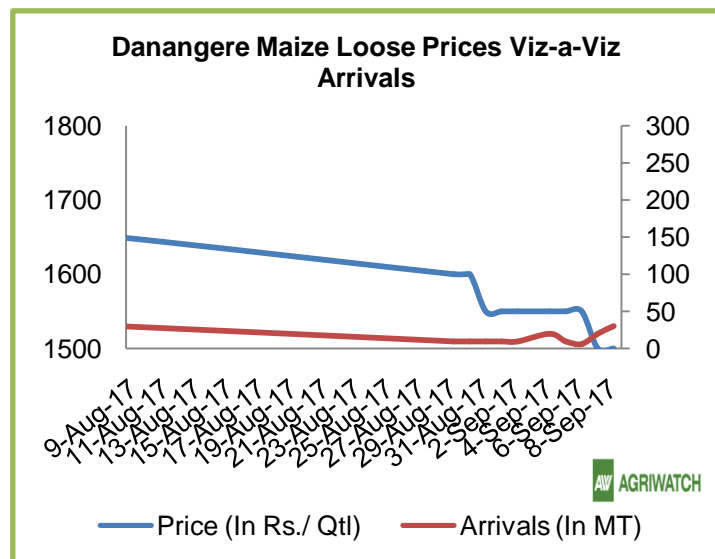
GULABBAGH:

- In Gulabbagh, maize traded firm by Rs. 25 per quintal to Rs. 1300 per quintal (Bilty) compared to last week. Maize could trade steady in the near term.



KARNATAKA:

- In Karnataka, stock of maize could be around 50,000 MT which was 25,000 MT during corresponding period last year while in Davangere; it could be around 5,000 MT which was 2,000 MT during corresponding period last year.



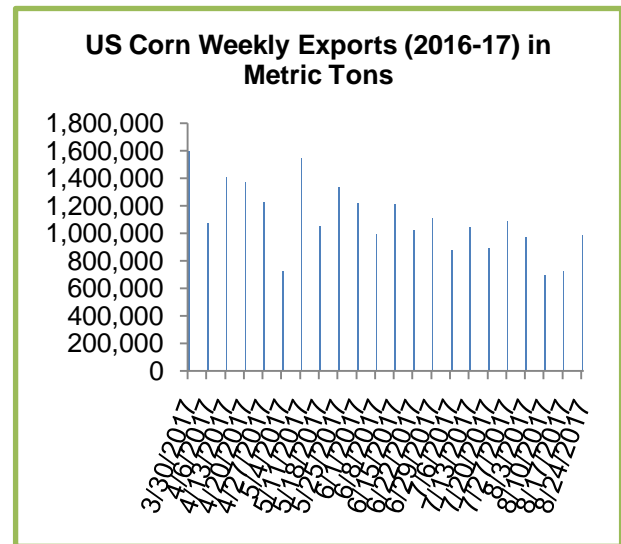
DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade steady to weak in the near term.



INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 55.39 MMT in the 2016-17 marketing year. At 0.69 MMT (for the period 24th August – 31st August, 2017) exports were down 29 percent from the previous week and 18 percent from the prior 4-week average. Exports were to Mexico (246,200 MT), Colombia (132,400 MT), Japan (103,400 MT), Saudi Arabia (70,800 MT), and Peru (35,200 MT).



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 6.89 USD/MT to 136.61 USD/MT compared to last week for September contract on expectations of a marginally lower yield-forecast from the USDA, although ample global supply could weigh on market sentiments.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(September Contract Weekly Chart)

- Candlestick depicts down 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: Sell near 1250 for target 1214 and 1196 in the near term.

Strategy: Sell
Maize NCDEX (September)

| Support & Resistance | | | | |
|----------------------|------|------|------|------|
| S2 | S1 | PCP | R1 | R2 |
| 1149 | 1194 | 1242 | 1287 | 1332 |

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1470-1500 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

| Market | Grade | 7-Sep-17 | 31-Aug-17 | 8-Aug-17 | 7-Sep-16 | 7-Sep-15 |
|------------|--------------|----------|-----------|----------|----------|----------|
| Gulabbagh | Bilty | 1300 | 1325 | 1350 | 1530 | 1425 |
| Delhi | Hybrid(U.P) | 1325 | 1325 | 1300 | 1550 | 1450 |
| Davangere | Loose Price | 1500 | 1550 | 1650 | 1750 | 1600 |
| Shimoga | Bilty | 1500 | 1620 | 1800 | 1800 | 1460 |
| Ranebennur | Bilty | 1520 | NA | 1700 | 1750 | 1550 |
| Bagalkot | Hybrid/Local | NA | 1455 | NA | NA | NA |
| Gadag | Local | NA | NA | NA | 1406 | 1322 |
| Nizamabad | Loose | 1400 | NA | Closed | 1680 | 1500 |
| Khanna | Bilty | 1300 | 1310 | 1280 | 1610 | 1400 |
| Sangli | Feed | 1573 | 1624 | 1650 | 1893 | 1709 |
| Ahmadabad | Feed | 1460 | 1460 | 1450 | 1780 | 1625 |
| | Starch | 1440 | 1470 | 1425 | 1775 | 1650 |

| Maize CBOT Weekly Futures Price Listing (USD/Ton) | | | | |
|--|-----------------------|-----------------|------------------|---------------|
| | Contract Month | 6-Sep-17 | 30-Aug-17 | Change |
| Corn CBOT Prices | Sep-17 | 136.61 | 129.72 | 6.89 |
| | Dec-17 | 142.12 | 136.02 | 6.10 |
| | Mar-18 | 147.04 | 141.04 | 6.00 |
| | May-18 | 149.99 | 143.99 | 6.00 |
| | July-18 | 152.55 | 146.55 | 6.00 |

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