

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded weak during the week amid sluggish demand and arrival pressure and are likely to trade weak in near term also due to new crop arrival pressure. In Nizamabad market, arrivals of new crop of maize are lower in quantity and contain high moisture level i.e. 18%. It is being traded at Rs. 1350-1415 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 2.80% to Rs. 1422 per quintal (weekly average price) while starch feed makers quoted it down by 2.52 % to Rs. 1392 per quintal compared to last week average price.

In India, maize has been sown in around 79.68 lakh hectares as of 15th September'17 which is lower than 83.03 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 11.25 lakh hectare which is lower than 12.67 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. In Maharashtra, it has been sown in 9.11 lakh hectares which is lower than 9.20 lakh hectares 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

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:

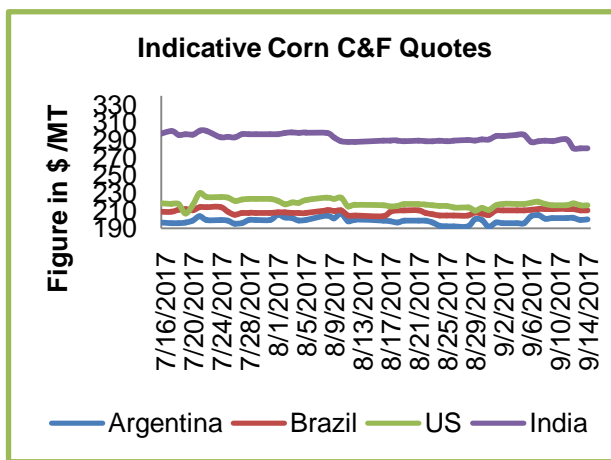
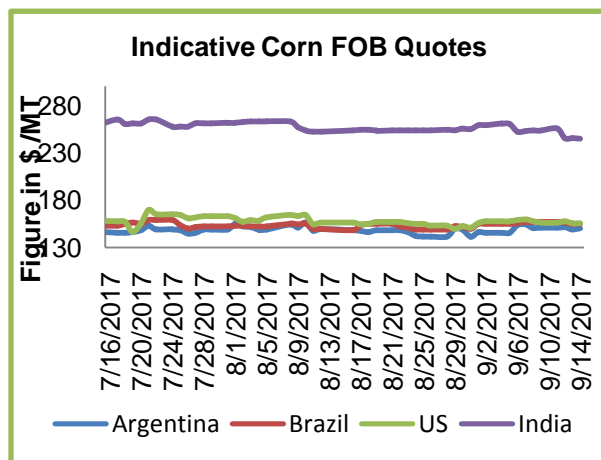
Weekly Call - : Market participants are advised to wait as there is no trade volume in near future contract. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1380-1400 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 3.35 USD/MT to 133.26 USD/MT compared to last week for September contract as USDA increased its corn ending stock estimates for U.S by 1.563 MMT to 59.301 MMT for 2017/18 due to increase in production estimates by 0.8 MMT to 360.302 MMT for 2017/18.

At 0.71 MMT (for the period 1st September –7th September, 2017) exports were primarily to Mexico (385,100 MT), Colombia (98,700 MT), Japan (87,400 MT), Peru (51,800 MT), and Venezuela (30,000 MT).

In U.S, 96% crop of corn is at dough stage as of 10th September, 2017, lower by 3% 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. 64.06)				
As on 9.09.2017	Argentina	Brazil	US	India
FOB	150.20	155.10	155.70	245.08
Cost and Freight (C&F)	200.20	210.10	215.70	280.08

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:

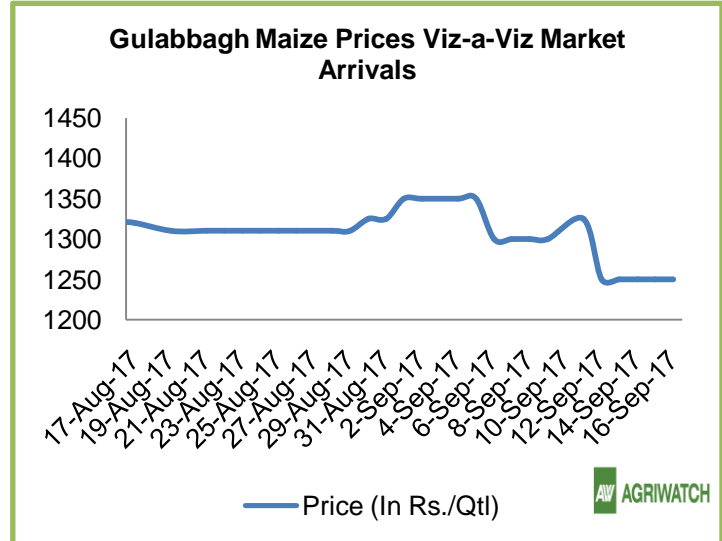
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkata	14000 (Bihar Origin)	N.A

CURRENT MARKET DYNAMICS:

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

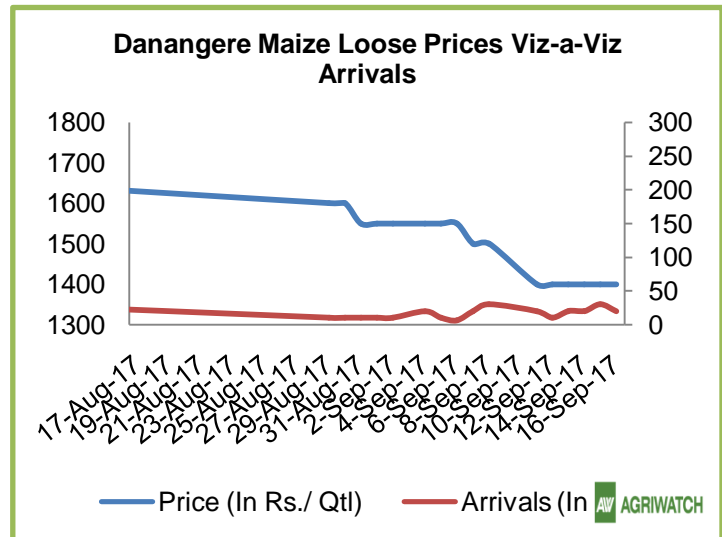
GULABBAGH:

- In Gulabbagh, maize traded down by Rs. 50 per quintal to Rs. 1250 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. Maize could trade steady to weak in the near term amid sluggish demand.



DOMESTIC MAIZE OUTLOOK:

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

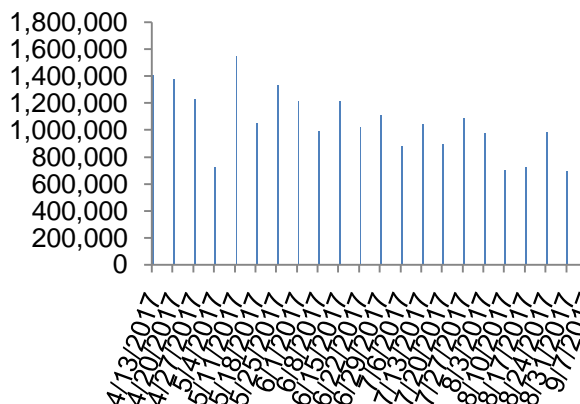
INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, at 0.71 MMT (for the period 1st September –7th September, 2017) exports were primarily to Mexico (385,100 MT), Colombia (98,700 MT), Japan (87,400 MT), Peru (51,800 MT), and Venezuela (30,000 MT).
- In U.S, 96% crop of corn is at dough stage as of 10th September, 2017, lower by 3% compared to last year and 1% from last 5 year average period. 75% crop of corn has dented, lower by 10% compared to last year and 6% from last 5 year average period. Meanwhile, 21% crop of corn has matured, lower by 10% compared to last year. Also, 5% crop of corn has harvested which is same from the corresponding period of last year. 61% crop of corn is in good to excellent condition, same compared to last week.
- Nonghyup Feed Inc. of South Korea purchased about 138,000 MT of corn in two consignments. First 69,000 MT was purchased from Cargill at \$188.45 per MT c&f plus a \$1.25 per MT surcharge for additional port unloading for Jan. 20 arrival; likely to be sourced from the United States or South America. The second 69,000 MT corn was purchased from Mitsui. Some quantity of corn was purchased at a flat price of \$190.90 c&f and some at a premium of 136 U.S. cents over the Chicago December corn contract. There was also a \$1.00 /MT surcharge for additional port unloading; likely to be sourced from worldwide origins excluding east Europe.
- A group of Israeli private buyers bought 30,000 MT of corn, likely to be sourced from the Black sea region at around \$172.80 /MT c&f for November/December shipment.
- Despite fall in global production estimates by 0.844 MMT; USDA increased its global corn ending stocks estimates by 1.599 MMT to 202.465 MMT for 2017/18 compared to last month due to fall in domestic consumption estimates by 2.541 MMT to 1053.852 MMT for 2017/18 compared to last month estimates.

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



INTERNATIONAL CORN OUTLOOK:

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DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1380-1400 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	14-Sep-17	7-Sep-17	16-Aug-17	14-Sep-16	14-Sep-15
Gulabbagh	Bilty	1250	1300	1320	1530	1420
Delhi	Hybrid(U.P)	1300	1325	1325	1500	1450
Davangere	Loose Price	1400	1500	Closed	1800	1550
Shimoga	Bilty	1380	1500	Closed	1750	1460
Ranebennur	Bilty	1525	1550	NA	1825	1550
Bagalkot	Hybrid/Local	1401	NA	NA	1842	1500
Gadag	Local	1311	NA	1050	1404	1322
Nizamabad	Loose	1475	NA	NA	1780	1560
Khanna	Bilty	1310	1300	1300	1600	1410
Sangli	Feed	1400	1573	1650	1905	1630
Ahmadabad	Feed	1425	1460	1460	1750	1600
	Starch	1400	NA	1400	1700	1625

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	13-Sep-17	6-Sep-17	Change
Corn CBOT Prices	Sep-17	133.26	136.61	-3.35
	Dec-17	138.38	142.12	-3.74
	Mar-18	143.20	147.04	-3.84
	May-18	146.45	149.99	-3.54
	July-18	148.91	152.55	-3.64

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