



Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded mixed during the week. However, it is likely to trade range bound with firm bias on the expectation of fresh demand in near term. In Nizamabad market, arrivals of new crop of maize are lower in quantity and contain high moisture level i.e. 15-23%. It is being traded at Rs. 1325-1425 per quintal (loose price). In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 1.54% to Rs. 1405 per quintal (weekly average price) while starch feed makers quoted it down by 1.01 % to Rs. 1379 per quintal compared to last week average price.

In India, maize has been sown in around 80.14 lakh hectares as of 22nd September'17 which is lower than 84.19 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 11.25 lakh hectare which is lower than 12.83 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 9.14 lakh hectares which is lower than 9.21 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.

RECOMMENDATION:

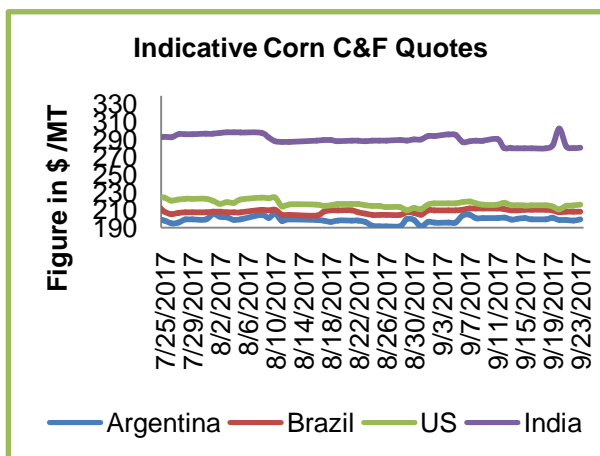
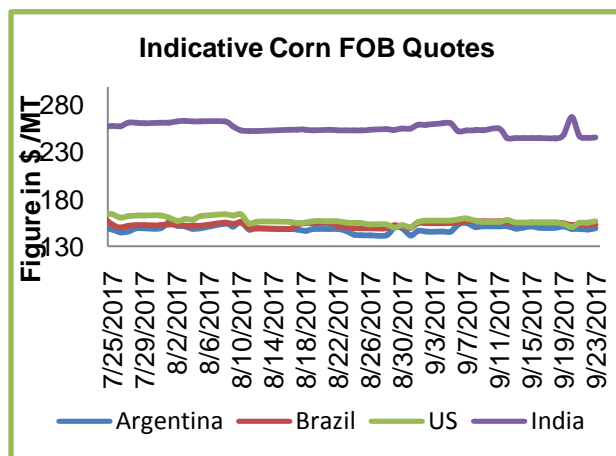
Weekly Call - : Market participants are advised to wait as there is no trade volume in near future contract. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1350-1420 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 4.53 USD/MT to 137.79 USD/MT compared to last week for December contract.

As per USDA, at 0.70 MMT (for the period 8th September –14th September, 2017) exports were primarily to Mexico (366,100 MT), Peru (113,600 MT), Japan (72,100 MT), Colombia (42,600 MT), and Costa Rica (30,000 MT).

In U.S, 86% crop of corn has dented as of 17th September, 2017, lower by 6% compared to last year and 4% from last 5 year average period. 61% crop of corn is in good to excellent condition, same compared to last week.

EXPORT PARITY TREND

| Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.80) | | | | |
|--|-----------|--------|--------|--------|
| As on 23.09.2017 | Argentina | Brazil | US | India |
| FOB | 149.41 | 153.60 | 156.55 | 246.18 |
| Cost and Freight (C&F) | 199.41 | 208.60 | 216.55 | 281.18 |

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:

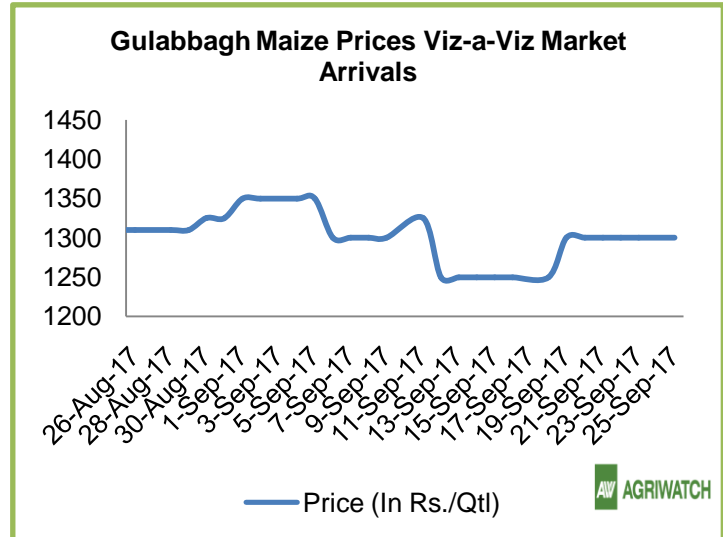
| Destination | By Road (Rs/MT) | By Rake (Rs/MT) |
|-------------|-------------------------|-----------------|
| Kolkata | 13750 (Bihar Origin) | N.A |

CURRENT MARKET DYNAMICS:

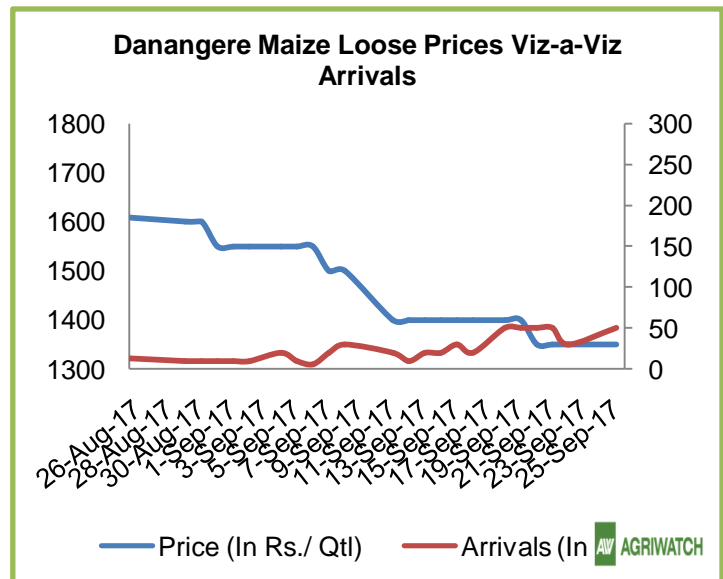
During the week under review, overall mixed sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

GULABBAGH:

- In Gulabbagh, maize traded firm by Rs. 50 per quintal to Rs. 1300 per quintal (Bilty) compared to last week. Maize could trade steady in the near term.

KARNATAKA:

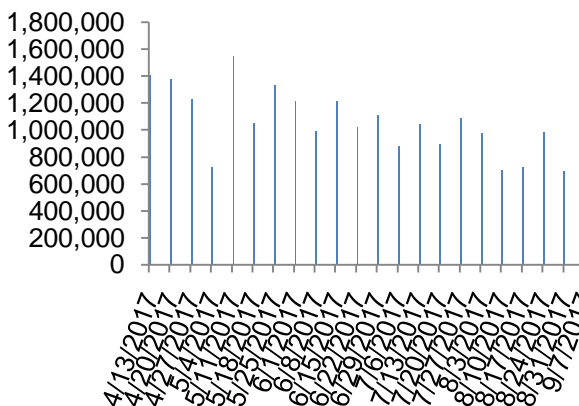
- In Karnataka, stock of maize could be around 50,000 MT which was 25,000 MT during corresponding period last year while in Davangere; it could be around 5,000 MT which was 2,000 MT during corresponding period last year. Maize could trade firm on the expectation of fresh demand from Tamil Nadu and Nammakal region.

DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade range bound with firm bias on the expectation of fresh demand in the near term.

INTERNATIONALS**MARKET:****HIGHLIGHTS/CURRENT DEVELOPMENTS**

- As per USDA, at 0.70 MMT (for the period 8th September –14th September, 2017) exports were primarily to Mexico (366,100 MT), Peru (113,600 MT), Japan (72,100 MT), Colombia (42,600 MT), and Costa Rica (30,000 MT).
- In U.S, 86% crop of corn has dented as of 17th September, 2017, lower by 6% compared to last year and 4% from last 5 year average period. Meanwhile, 34% crop of corn has matured, lower by 16% compared to last year. Also, 7% crop of corn has harvested which is lower by 1% from the corresponding period of last year. 61% crop of corn is in good to excellent condition, same compared to last week.
- Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 46.6% in the July'17 from 46.2% during the same month last year while users' reliance on alternatives such as Sorghum decreased.
- Major Feedmill group of South Korea purchased about 69,000 MT of corn from Cargill at around \$187.25 per MT c&f plus a \$1.25 per MT surcharge for additional port unloading; for the arrival around December 28.

US Corn Weekly Exports (2016-17) in Metric Tons**INTERNATIONAL CORN OUTLOOK:**

Corn prices on CBOT rose by 4.53 USD/MT to 137.79 USD/MT compared to last week for December contract.

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1350-1420 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

| Market | Grade | 21-Sep-17 | 14-Sep-17 | 21-Aug-17 | 21-Sep-16 | 21-Sep-15 |
|------------|--------------|-----------|-----------|-----------|-----------|-----------|
| Gulabghagh | Bilty | 1300 | 1250 | 1310 | 1580 | 1430 |
| Delhi | Hybrid(U.P) | 1275 | 1300 | 1350 | 1525 | 1460 |
| Davangere | Loose Price | 1350 | 1400 | Closed | 1800 | 1450 |
| Shimoga | Bilty | 1350 | 1380 | 1700 | 1750 | 1460 |
| Ranebennur | Bilty | 1300 | 1350 | NA | 1910 | 1465 |
| Bagalkot | Hybrid/Local | NA | NA | NA | 1719 | 1491 |
| Gadag | Local | NA | 1311 | NA | 1760 | NA |
| Nizamabad | Loose | 1470 | 1475 | NA | 1800 | 1570 |
| Khanna | Bilty | 1300 | 1310 | 1250 | 1630 | 1410 |
| Sangli | Feed | 1463 | 1400 | 1665 | 1900 | 1600 |
| Ahmadabad | Feed | 1400 | 1425 | 1500 | 1660 | 1600 |
| | Starch | 1425 | 1400 | 1500 | 1650 | 1625 |

| Maize CBOT Weekly Futures Price Listing (USD/Ton) | | | | |
|---|----------------|-----------|-----------|--------|
| | Contract Month | 20-Sep-17 | 13-Sep-17 | Change |
| Corn CBOT Prices | Dec-17 | 137.79 | 133.26 | 4.53 |
| | Mar-18 | 142.71 | 138.38 | 4.33 |
| | May-18 | 146.06 | 143.20 | 2.86 |
| | July-18 | 148.71 | 146.45 | 2.26 |
| | Sep-18 | 151.17 | 148.91 | 2.26 |

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