

Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded weak during the week as new crop has started which is low in quality and contains high moisture. However, it is likely to trade steady to slightly firm in near term on the expectation of fresh demand. In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 0.91% to Rs. 1419 per quintal (weekly average price) while starch feed makers quoted it down by 0.07 % to Rs. 1406 per quintal compared to last week average price.

In Nizamabad market, due to recent rains, crop quality has affected by fungus which is also weighing on market sentiments. Maize prices are expected to trade steady till the fresh demand from feed makers arrived into the market. It is expected that after Diwali festival, demand for good quality maize could arrive into market which would support market to rise. Starch feed makers are buying low quality material which contains fungus and high moisture level at Rs. 1250 per quintal. Crop harvesting is expected to be delayed if rains continue in Karnataka and Maharashtra region. New crop has started in Hasan, Mysore surroundings which contain high moisture that is up to 23%.

In India, maize has been sown in around 80.91 lakh hectares as of 13th October'17 which is lower than 84.52 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 11.60 lakh hectare which is lower than 13.12 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.1300 per quintal for the week.

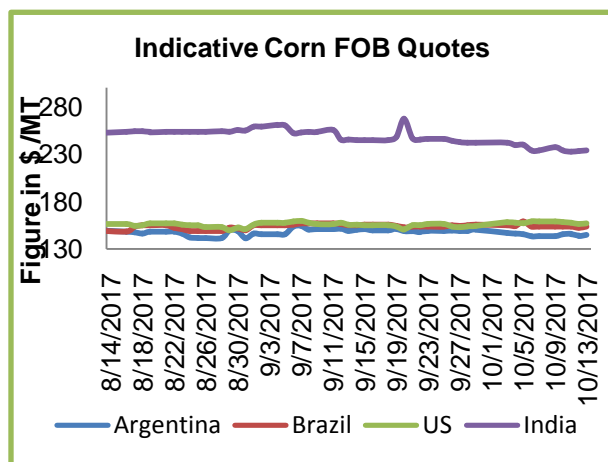
INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 0.89 USD/MT to 136.21 USD/MT compared to last week for December contract.

At 0.66 MMT (for the period 29th September –5th October, 2017) U.S corn exports were primarily to Mexico (348,900 MT), Colombia (84,700 MT), South Korea (69,700 MT), Panama (44,100 MT), and Guatemala (41,300 MT).

USDA decreased its global corn ending stocks estimates by 1.509 MMT to 200.956 MMT for 2017/18 compared to last month due to increase in domestic consumption estimates by 6.074 MMT to 1059.926 MMT for 2017/18 compared to last month.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.93)				
As on 13.10.2017	Argentina	Brazil	US	India
FOB	145.28	153.70	157.10	234.30
Cost and Freight (C&F)	195.28	208.70	217.10	269.30

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:

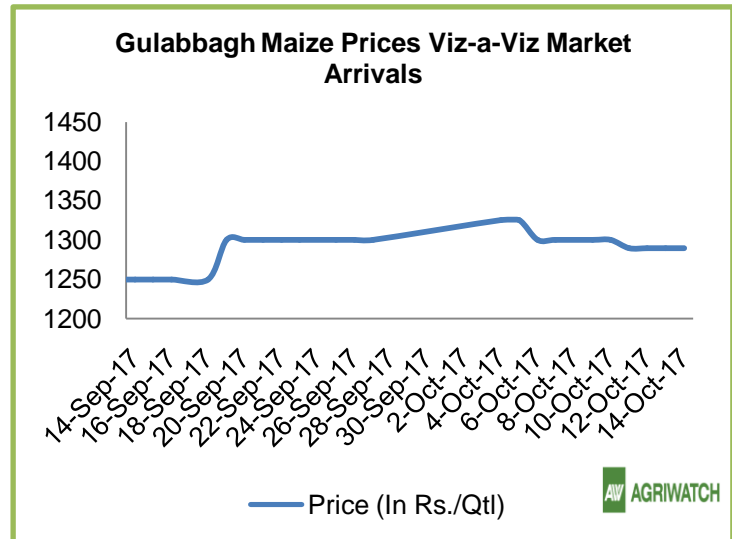
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkata	13250-13500 (Bihar Origin)	N.A
Bangalore	14200-14500 (Karnataka Origin)	N.A
Nammakal	15200-15500 (Karnataka Origin)	N.A

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:

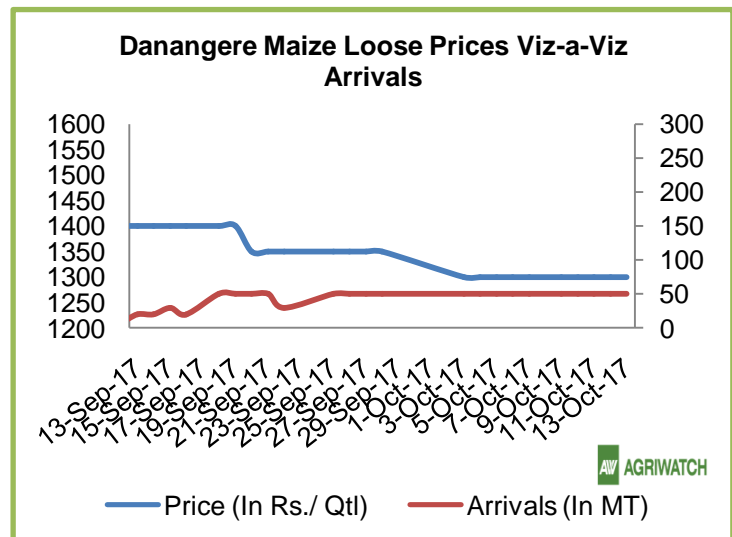
GULABBAGH:

- In Gulabbagh, maize traded down by Rs. 35 per quintal to Rs. 1290 per quintal (Bilty) compared to last week. Maize could trade steady in the near term.



KARNATAKA:

- New crop has started in Hasan, Mysore surroundings which contain high moisture that is up to 23%. It is likely to trade steady in near term.
- In Davangere; stock of maize could be around 20,000 MT which was 15,000 MT during corresponding period last year.

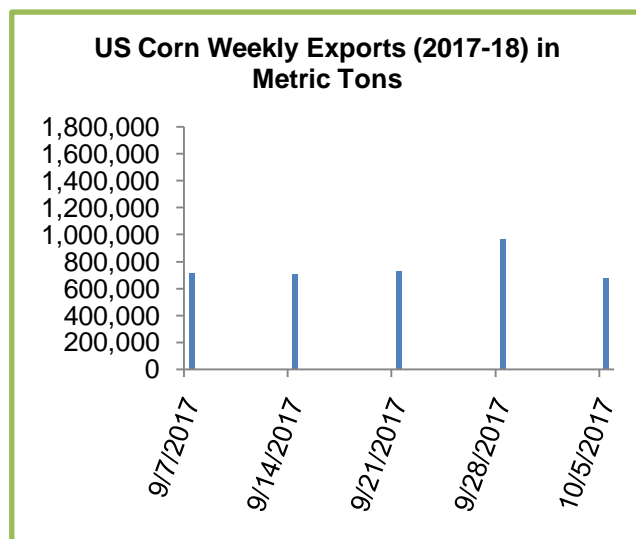


DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade steady for the week on the expectation that no major activity would happen during festive week.

INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, at 0.66 MMT (for the period 29th September –5th October, 2017) exports were primarily to Mexico (348,900 MT), Colombia (84,700 MT), South Korea (69,700 MT), Panama (44,100 MT), and Guatemala (41,300 MT).
- In U.S, 82% crop of corn has matured as of 8th October, 2017, lower by 10% compared to last year. Meanwhile, 22% crop of corn has harvested which is lower by 11% from the corresponding period of last year. 64% crop of corn is in good to excellent condition, up by 1% compared to last week.
- Korea Corn Processing Industry Association of South Korea purchased 60,000 MT corn from CJ International at about \$191.30 per MT c&f including surcharge for additional port unloading for arrival in South Korea around Jan. 25, 2018. It is likely to be shipped from the U.S Pacific North West coast between Dec. 22, 2017 to Jan. 11, 2018 or from the U.S. Gulf around Dec. 2, 2017 to Dec. 21, 2017.
- USDA raised its yield forecast for U.S by 0.12 MT/ Hectare to 10.78 MT/ Hectare for 2017/18 from the last month estimates.
- USDA also increased its corn ending stock estimates for U.S by 0.14 MMT to 59.441 MMT for 2017/18 due to increase in production estimates by 2.43 MMT to 362.732 MMT for 2017/18.
- Despite increase in global production estimates by 6.169 MMT; USDA decreased its global corn ending stocks estimates by 1.509 MMT to 200.956 MMT for 2017/18 compared to last month due to increase in domestic consumption estimates by 6.074 MMT to 1059.926 MMT for 2017/18 compared to last month.



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 0.89 USD/MT to 136.21 USD/MT compared to last week for December contract as USDA increased its corn ending stock estimates for U.S by 0.14 MMT to 59.441 MMT for 2017/18.

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1300 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	12-Oct-17	5-Oct-17	12-Sep-17	12-Oct-16	12-Oct-15
Gulabbagh	Bilty	1290	1325	1250	1500	1430
Delhi	Hybrid Maize (U.P.)	1300	1275	1300	1540	1460
Davangere	Loose Price	1300	1300	NA	1550	1320
Shimoga	Bilty	1310	1340	1380	1780	NA
Ranebennur	Bilty	1400	1390	1525	1690	NA
Bagalkot	Hybrid/Local	1145	1281	1356	1485	1401
Gadag	Local	1341	NA	NA	1452	1139
Nizamabad	Bilty	1410	1410	1475	1700	1400
Khanna	Bilty	1300	1270	1320	1530	1430
Sangli	Feed	1480	1500	1500	1630	1500
Ahmadabad	Feed	1420	1425	1440	1650	1500
	Starch	1400	1400	1410	1750	1500

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	11-Oct-17	4-Oct-17	Change
Corn CBOT Prices	Dec-17	136.21	137.10	-0.89
	Mar-18	141.53	142.22	-0.69
	May-18	144.88	145.76	-0.88
	July-18	147.93	148.91	-0.98
	Sep-18	150.78	151.76	-0.98

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