

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

As per Ministry of Agriculture, in India, maize has been sown in around 11.33 lakh hectares as on 15th December'17 for Rabi season (2017-18) which is higher than 11.02 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 3.91 lakh hectares which is higher than 3.71 lakh hectares covered during corresponding period last year. While, in Maharashtra, Karnataka and A.P it has been sown in around 1.37, 0.79 and 0.93 lakh hectares respectively as on 15th December'17 for Rabi season (2017-18).

As per farmers sowing intention, in Telangana and Andhra Pradesh regions, maize area likely to be same compared to last year while in Bihar, wheat area is likely to shift towards maize.

Overall maize cash markets traded steady to firm during the week and are expected to be steady to range bound in near term.

The material presently arriving in the Davangere market contains moisture up to 18% now. About a half of the material arriving in the market is still infested with fungus. In the affected lots between 2 to 8% of the grains are infested. As per trade sources, weather conditions have become favourable so dry material is expected to become available soon.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 1.79 % to Rs. 1365 per quintal (weekly average price) while starch feed makers quoted it firm by 2.51 % to Rs. 1390 per quintal compared to last week average price.

RECOMMENDATION:

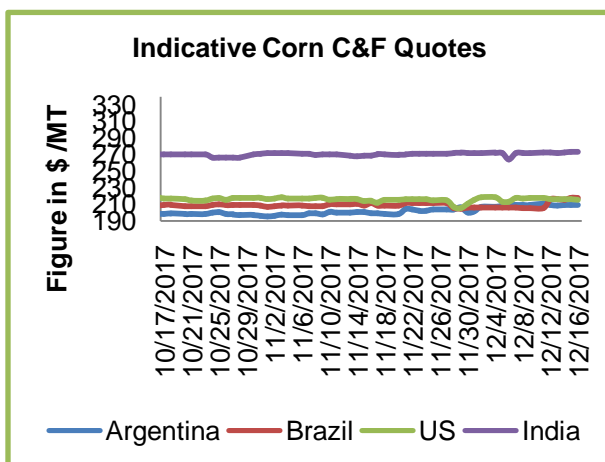
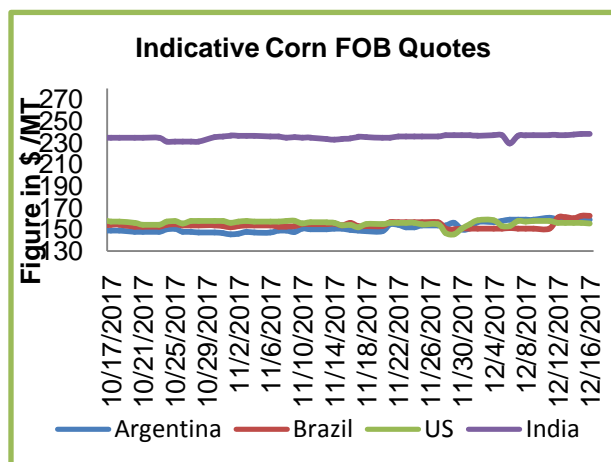
Weekly Call - : Market participants are advised to wait as there is no trade volume in near future contract. In Davangere cash market, prices of good quality of maize (loose) are likely to trade at Rs.1300 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 0.98 USD/MT to 132.38 USD/MT compared to last week for December contract.

At 0.69 MMT (for the period 1st December –7th December, 2017) U.S corn exports were up 17 percent from the previous week and from the prior 4-week average.

USDA increased its global corn ending stocks estimates by 0.217 MMT to 204.07 MMT for 2017/18 compared to last month due to increase in production estimates by 0.852 MMT to 1044.75 MMT for 2017/18 compared to last month.

EXPORT PARITY TREND

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.08)				
As on 16.12.2017	Argentina	Brazil	US	India
FOB	158.86	162.70	155.70	238.37
C&F	208.86	217.70	215.70	273.37

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:

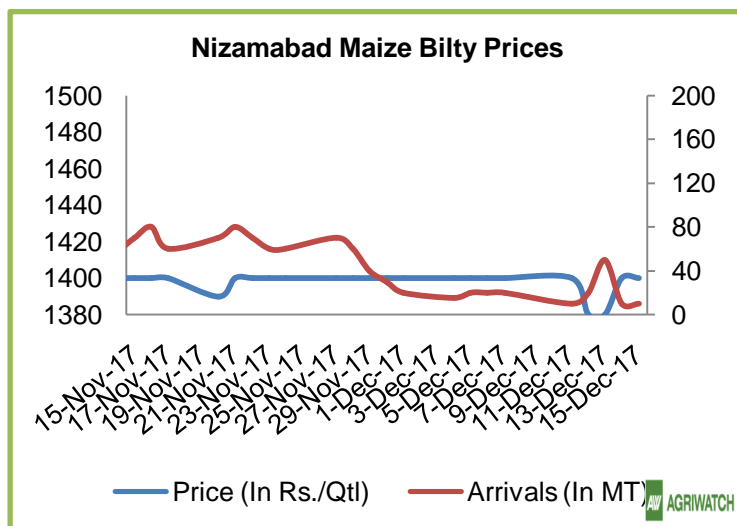
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkata	13750-14000 (Bihar Origin)	N.A

CURRENT MARKET DYNAMICS:

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

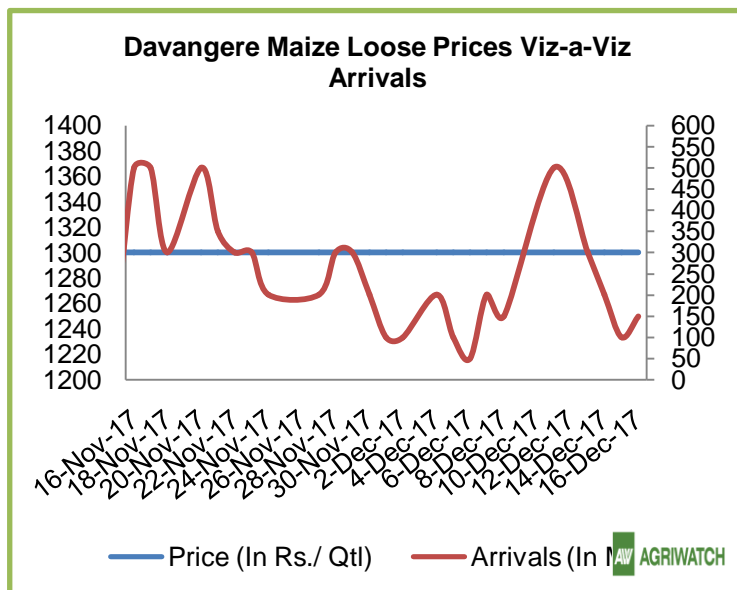
NIZAMABAD:

- As per farmers sowing intention, in Telangana and Andhra Pradesh regions, maize area likely to be same compared to last year. In Nizamabad, maize prices are likely to be steady; Trade remains restricted in major markets as feed industries are getting supply directly from farmers.



KARNATAKA:

- In Davangere, Maize crop contains moisture up to 18% now. About a half of the material arriving in the market is still infested with fungus. In the affected lots between 2 to 8% of the grains are infested. As per trade sources, weather conditions have become favourable so dry material is expected to become available soon. Despite fresh demand of stockiest, market will remain flat until the Government starts procurement.



DOMESTIC MAIZE OUTLOOK:

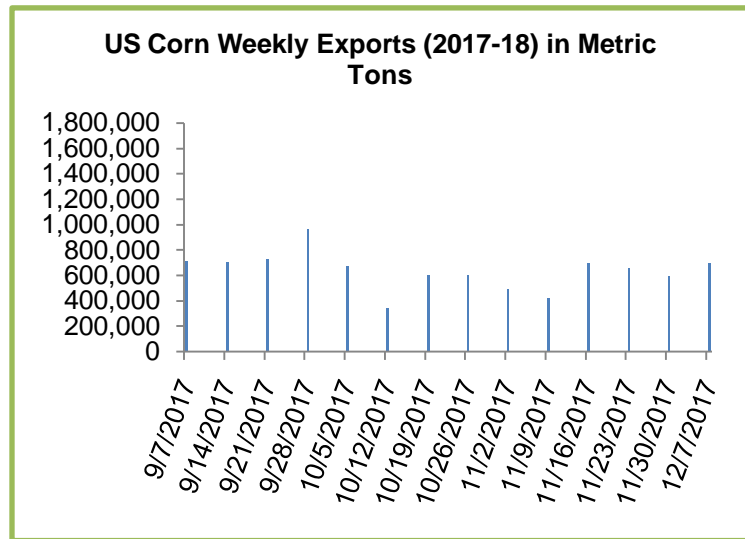
Standard quality maize prices are likely to remain steady due to limited trade in major mandi.

INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 8.77 MMT in the 2017-18 marketing year. At 0.69 MMT (for the period 1st December –7th December, 2017) U.S corn exports were up 17 percent from the previous week and from the prior 4-week average. The destinations were primarily to Mexico (273,900 MT), Japan (218,200 MT), Colombia (84,400 MT), Costa Rica (30,400 MT), and Guatemala (29,100 MT).
- USDA increased its global corn ending stocks estimates by 0.217 MMT to 204.07 MMT for 2017/18 compared to last month due to increase in production estimates by 0.852 MMT to 1044.75 MMT for 2017/18 compared to last month. Meanwhile, Corn ending stock estimates for Brazil and China increased by 0.3 MMT and 0.891 MMT to 9.369 MMT and 79.556 MMT respectively for 2017/18.
- However, USDA decreased its corn ending stock estimates for U.S by 1.27 MMT to 61.915 MMT for 2017/18 due to increase in domestic consumption estimates by 1.27 MMT to 319.039 MMT for 2017/18 while Argentina corn ending stock forecast decreased by 0.004 MMT to 6.267 MMT for 2017/18 compared to last month.
- China has reduced forecast for corn import by 0.5 million tons to 1 million tons from its previous month forecast for 2017/18 due to increase in production estimates by 5.78 million tons to 215.89 million tons for 2017/18. As per monthly report published by Chinese Agricultural Supply and Demand Estimates (CASDE), China will consume 221 million tons of corn in 2017/18, up 5.34 million tons from last month's estimate, buoyed by increased demand from ethanol producers as Beijing pushes to blend renewable fuels into its gasoline supply.



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 0.98 USD/MT to 132.38 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. 1300 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	14-Dec-17	7-Dec-17	14-Nov-17	14-Dec-16	14-Dec-15
Gulabbagh	Bilty	1300	1300	1250	1635	1600
Delhi	Hybrid Maize (U.P.)	1330	1300	1310	1575	1630
Davangere	Loose Price	1300	1300	1300	1450	1460
Shimoga	Bilty	1250	1200	1150	1410	1400
Ranebennur	Bilty	1220	1200	1200	1455	1550
Bagalkot	Hybrid/Local	1196	1196	1209	1391	1501
Gadag	Local	1178	1145	1140	1380	1448
Nizamabad	Bilty	1400	1400	1400	1440	1550
Khanna	Bilty	1460	1375	1360	1625	NA
Sangli	Feed	1290	1266	1251	1421	1550
Ahmadabad	Feed	1370	1340	1300	1450	1600
	Starch	1400	1360	1310	1490	1625

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	13-Dec-17	6-Dec-17	Change
Corn CBOT Prices	Dec-17	132.38	133.36	-0.98
	Mar-18	137.20	138.38	-1.18
	May-18	140.45	141.73	-1.28
	July-18	143.69	145.07	-1.38
	Sep-18	146.45	147.83	-1.38

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