



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 15.74 lakh hectares as on 19th January'18 for Rabi season (2017-18) which is higher than 15.35 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 4.66 lakh hectares which is higher than 4.48 lakh hectares covered during corresponding period last year. While, in Maharashtra, Karnataka and A.P it has been sown in around 1.90, 0.97 and 1.91 lakh hectares respectively as on 19th January'18 for Rabi season (2017-18).

Overall maize cash markets traded steady during the week and are expected to be steady to slightly weak in near term as maize crop from Tamil Nadu could keep pressure on market sentiments. However, feed makers demand at lower price level could keep market stable.

About a 70% of the material arriving in the Davangere market is still infested with fungus. In the affected lots, between 2 to 8% of the grains are infested while in Nizamabad, about 10-12% of the material is damaged grains and infested with fungus.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 1.51 % to Rs. 1303 per quintal (weekly average price). However, starch feed makers quoted it firm by 0.22 % to Rs. 1340 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. 1200-1230 per quintal for the week.

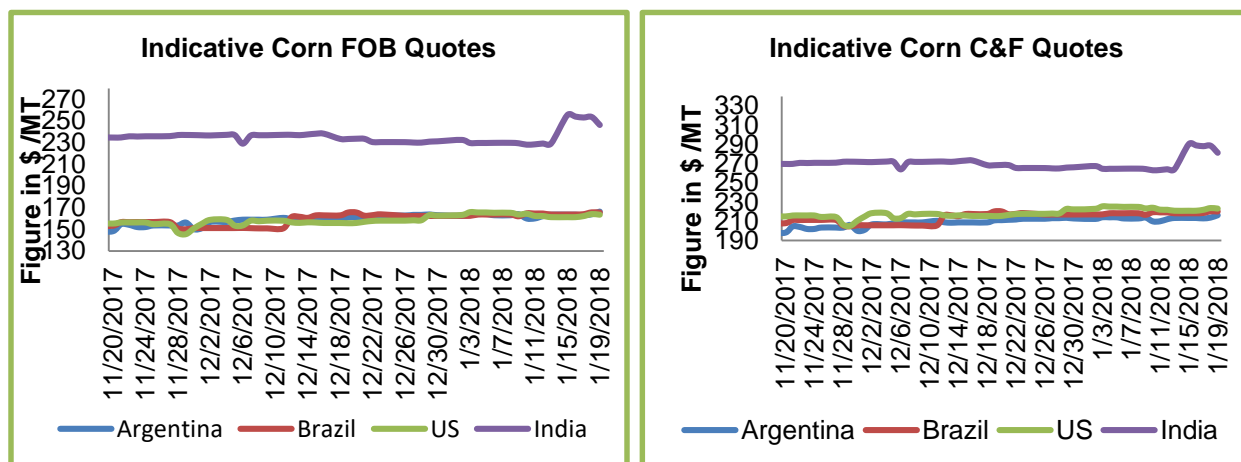
INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 1.57 USD/MT to 138.97 USD/MT compared to last week for March'18 contract.

IGC increased its forecast for 2017/18 global corn production by 14 MMT to 1054 MMT compared to previous forecast. Forecast for global corn ending stock was also up by 116 MMT to 322 MMT compared to last forecast for 2017/18.

At 0.65 MMT (for the period 5th January –11th January, 2018) U.S corn exports were down 26 percent from the previous week and 5 percent from the prior 4-week average.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 63.71)				
As on 19.1.2018	Argentina	Brazil	US	India
FOB	166.34	165.30	163.32	246.43
C&F	216.34	220.30	223.32	281.43

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:

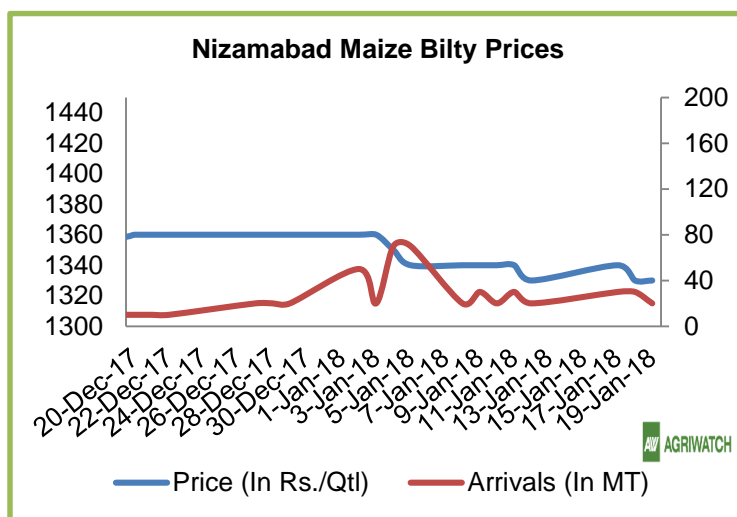
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkata	13750-14000 (Bihar Origin)	N.A

CURRENT MARKET DYNAMICS:

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

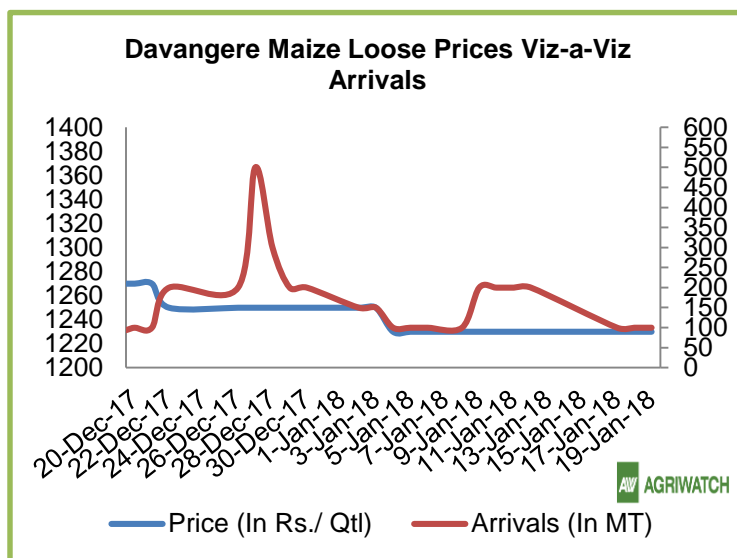
NIZAMABAD:

- In Nizamabad, Maize is likely to trade steady to slightly weak in near term by taking cues from other states. However, starch feed makers' demand could support the market at lower level. As per trade source, stock of maize could be around 25000 MT and 2500 MT in the hands of Government and Private Traders respectively.



KARNATAKA:

- In Davangere, about a 70% 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. Maize is likely to trade steady to slightly weak as maize crop from Tamil Nadu could keep pressure on market sentiments.



DOMESTIC MAIZE OUTLOOK:

Standard quality maize prices are likely to be steady to slightly weak by taking cues from other states amid limited trade in major mandis.

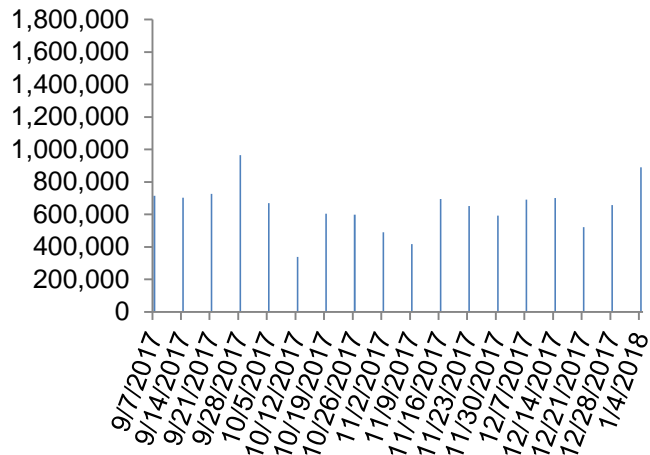
INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 12.20 MMT in the 2017-18 marketing year. At 0.65 MMT (for the period 5th January –11th January, 2018) U.S corn exports were down 26 percent from the previous week and 5 percent from the prior 4-week average. The destinations were primarily to Mexico (252,000 MT), Japan (216,600 MT), Colombia (54,100 MT), unknown destinations (41,100 MT), and Venezuela (30,000 MT).
- IGC increased its forecast for 2017/18 global corn production by 14 MMT to 1054 MMT compared to previous forecast. Forecast for global corn ending stock was also up by 116 MMT to 322 MMT compared to last forecast for 2017/18. IGC has mentioned that this sharp boost in the forecast for ending stock is mainly because of adjustments to historical figures for maize in China.
- Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 47.2% in the November'17 from 45.8% during the same month last year as users' reliance on sorghum decreased.
- Nonghyup Feed Inc (NOFI) of South Korea purchased about 137,000 MT of corn. Some 68,000 MT was purchased from trading house CHS at \$193.95 per MT c&f for arrival in South Korea around April 30 plus a \$1.25 per MT surcharge for additional port unloading. Another 69,000 MT was bought from Cargill at \$193.30 per MT c&f for May 15 arrival plus a \$1.25 per MT surcharge for additional port unloading.
- MFIG group of Taiwan buys 65,000 MT corn from Columbia Grain International ,United States at premium of 144.00 U.S. cents c&f over the Chicago May corn contract for the shipment from the U.S. Gulf for March 6-25 or from the U.S. Pacific North West coast for March 21 to April 9.
- Analyst UkrAgroConsult cut Ukraine's 2017/18 maize export forecast at 19 MMT which is lower than 21.2 MMT compared to last year due to a smaller harvest. Besides, increase in supply from Brazil and other South American countries is likely to affect Ukrainian's maize sales.

US Corn Weekly Exports (2017-18) in Metric Tons



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 1.57 USD/MT to 138.97 USD/MT compared to last week for March'18 contract.

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1200-1230 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	18-Jan-18	11-Jan-18	18-Dec-17	18-Jan-17	18-Jan-16
Gulabgagh	Bilty	1250	1200	1290	1640	NA
Delhi	Hybrid Maize (U.P.)	1325	1325	1340	1600	1650
Davangere	Loose Price	1230	1230	NA	1530	NA
Shimoga	Bilty	1250	NA	NA	1430	1490
Ranebennur	Bilty	NA	NA	1220	1503	1451
Bagalkot	Hybrid/Local	1152	1141	NA	1452	1452
Gadag	Local	NA	NA	NA	1450	1394
Nizamabad	Bilty	1340	1340	Closed	1450	1520
Khanna	Bilty	1410	1400	1450	1620	NA
Sangli	Feed	NA	1270	1290	1488	1560
Ahmadabad	Feed	1300	1310	Closed	1500	1570
	Starch	1330	1330	Closed	1520	1600

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	17-Jan-18	10-Jan-18	Change
Corn CBOT Prices	Mar-18	138.97	137.40	1.57
	May-18	142.12	140.54	1.57
	July-18	145.37	143.69	1.67
	Sep-18	148.32	146.84	1.48
	Dec-18	151.96	150.68	1.28

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