

Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ Export Parity Trend
- ❖ Export Break Up By Major Countries
- ❖ Business from various sourcing centers during the season till date
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Futures Market Analysis: NCDEX MAIZE
- ❖ Davangere Market Analysis
- ❖ Annexure

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

As per Ministry of Agriculture in India, maize has been sown in around 16.71 lakh hectares as on 2nd February'18 for Rabi season (2017-18) which is higher than 16.26 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 4.70 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 1.99, 0.99 and 2.09 lakh hectares respectively as on 2nd February'18 for Rabi season (2017-18).

As per Agriwatch trade sources, in Bihar, maize area is likely to increase by 10%. Maize crop conditions are good right now and new crop arrivals are expected to arrive in the end of March month.

Overall maize cash markets traded steady to range bound during the week and is 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.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 0.08% to Rs. 1301 per quintal (weekly average price). However, starch feed makers quoted it down by 2.30% to Rs. 1319 per quintal compared to last week average price.

RECOMMENDATION:

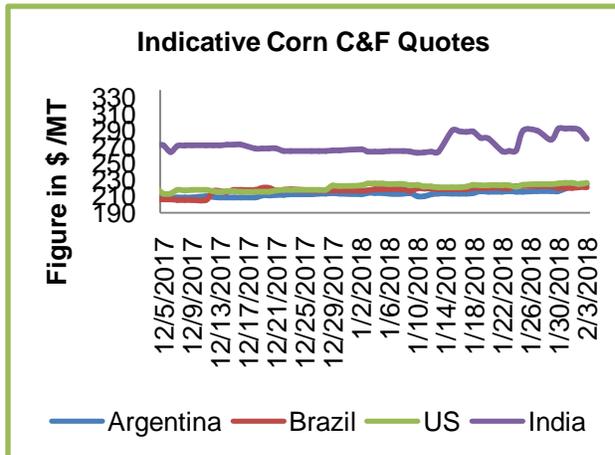
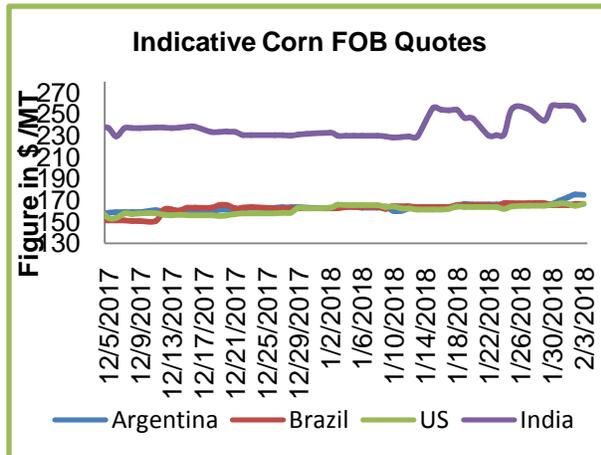
Weekly Call - : Market participants are advised to wait as there is no trade volume in near future contract. In Davangere cash market, prices of good quality of maize (loose) are likely to trade at Rs. 1200-1230 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 1.97 USD/MT to 142.32 USD/MT for March'18 contract compared to last week. Agriwatch expects that increase in export demand could support U.S corn market to gain. However, that gain could be limited due to ample global corn supply.

At 1.04 MMT (for the period 19th January –25th January, 2018) U.S corn exports were up 75 percent from the previous week and 51 percent from the previous 4-week average.

EXPORT PARITY TREND



| Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.14) | | | | |
|--|-----------|--------|--------|--------|
| As on 03.02.2018 | Argentina | Brazil | US | India |
| FOB | 174.9 | 166.4 | 166.3 | 244.78 |
| C&F | 224.90 | 221.40 | 226.30 | 279.78 |

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.

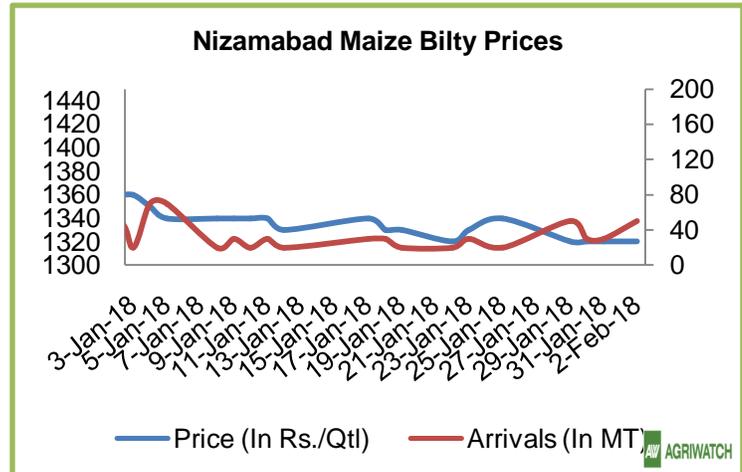
- We are unable to update export-import data as Govt has restricted the latest IBIS data for Public domain. We will be able to update it as and when available.

CURRENT MARKET DYNAMICS:

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

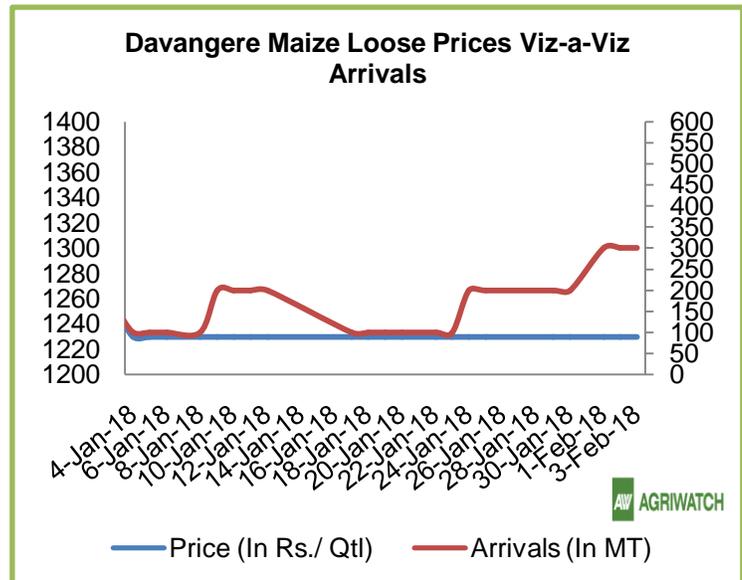
NIZAMABAD:

- In Nizamabad, maize is likely to trade steady to slightly weak in near term amid sluggish demand. 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 too, maize is expected to trade steady to slightly weak in near term due to sluggish demand. Besides, peak crop arrivals in Tamil Nadu are expected soon which could also keep pressure on market sentiments.

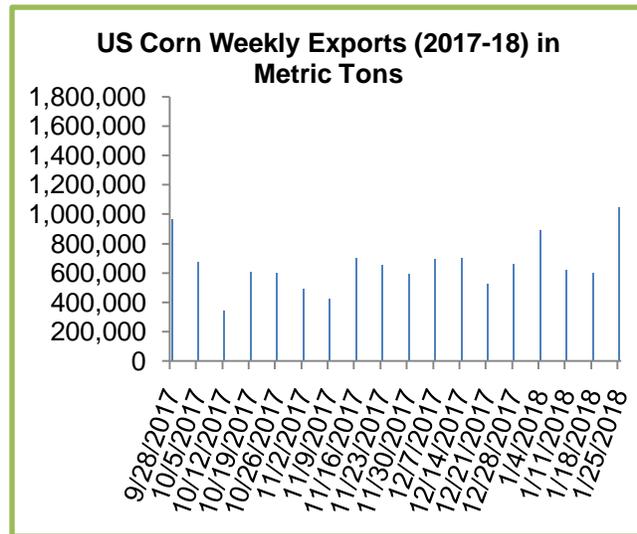


DOMESTIC MAIZE OUTLOOK:

Standard quality maize prices are likely to be steady to slightly weak in near term.

INTERNATIONALS **MARKET:**
HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 13.81 MMT in the 2017-18 marketing year. At 1.04 MMT (for the period 19th January –25th January, 2018) U.S corn exports were up 75 percent from the previous week and 51 percent from the previous 4-week average. The destinations were primarily to Japan (333,300 MT), Colombia (201,800 MT), Mexico (186,300 MT), South Korea (63,100 MT), and Morocco (60,600 MT).



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 1.97 USD/MT to 142.32 USD/MT for March'18 contract compared to last week. Agriwatch expects that increase in export demand could support U.S corn market to gain. However, that gain could be limited due to ample global corn supply.

DAVANGERE MARKET ANALYSIS: MAIZE



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

**ANNEXURE
MAIZE SPOT MARKET PRICES (RS. /QUINTAL)**

| Market | Grade | 01-Feb-18 | 25-Jan-18 | 18-Jan-18 | 01-Feb-17 | 01-Feb-16 |
|------------|---------------------|-----------|-----------|-----------|-----------|-----------|
| Gulabbagh | Bilty | 1270 | 1250 | 1200 | 1650 | 1600 |
| Delhi | Hybrid Maize (U.P.) | 1325 | 1325 | 1325 | 1600 | 1600 |
| Davangere | Loose Price | 1230 | 1230 | 1230 | 1600 | 1400 |
| Shimoga | Bilty | 1330 | 1330 | 1250 | 1600 | 1490 |
| Ranebennur | Bilty | 1185 | 1200 | 1200 | 1550 | 1550 |
| Bagalkot | Hybrid/Local | 1159 | 1123 | 1152 | 1451 | 1405 |
| Gadag | Local | 1120 | 1109 | 1069 | 1446 | 1413 |
| Nizamabad | Bilty | 1320 | 1340 | 1330 | 1500 | 1500 |
| Khanna | Bilty | 1450 | 1360 | 1410 | 1605 | NA |
| Sangli | Feed | NA | NA | NA | 1520 | 1530 |
| Ahmadabad | Feed | 1300 | 1300 | 1300 | 1550 | 1580 |
| | Starch | 1315 | 1350 | 1330 | 1570 | 1625 |

| Maize CBOT Weekly Futures Price Listing (USD/Ton) | | | | |
|---|----------------|-----------|-----------|--------|
| | Contract Month | 31-Jan-18 | 24-Jan-18 | Change |
| Corn CBOT Prices | Mar-18 | 142.32 | 140.35 | 1.97 |
| | May-18 | 145.47 | 143.60 | 1.87 |
| | July-18 | 148.52 | 146.84 | 1.68 |
| | Sep-18 | 151.37 | 149.80 | 1.57 |
| | Dec-18 | 154.82 | 153.34 | 1.48 |

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>

© 2018 Indian Agribusiness Systems Ltd.