



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 16.96 lakh hectares as on 9th February'18 for Rabi season (2017-18) which is higher than 16.55 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 2.06, 0.99 and 2.15 lakh hectares respectively as on 9th 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 slightly weak during the week and is expected to be steady to slightly weak in near term too due to sluggish demand. Besides, high carry forward stock amid expectation of good crop production during Rabi season is likely to weigh on market sentiments.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 0.54% to Rs. 1294 per quintal (weekly average price). However, starch feed makers quoted it down by 0.91% to Rs. 1307 per quintal compared to last week average price.

RECOMMENDATION:

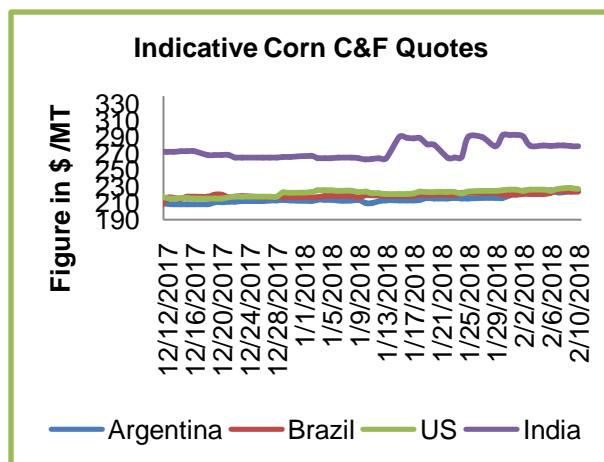
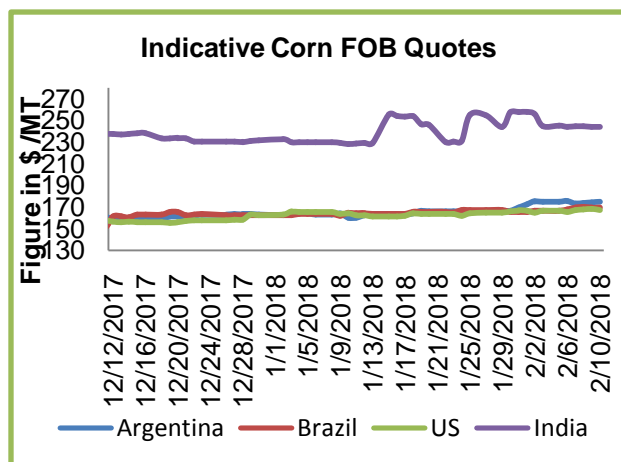
Weekly Call - : Market participants are advised to go short in Maize for April contract near 1166 levels for a target of 1152 and 1145 with a stop loss at 1174 on closing basis. In Davangere cash market, prices of good quality of maize (loose) are likely to trade at Rs. 1200-1230 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 1.47 USD/MT to 143.79 USD/MT for March'18 contract compared to last week as corn ending stock estimates for U.S decreased by 3.17 MMT to 59.75 MMT for 2017/18 due to increase in exports estimates by 3 MMT to 51.50 MMT for 2017/18 compared to last month as the USDA anticipates reduced shipments from both Argentina and the Ukraine..

At 0.96 MMT (for the period 26th January –1st February, 2018) U.S corn exports were down 8 percent from the previous week, but up 22 percent from the previous 4-week average.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.37)				
As on 10.02.2018	Argentina	Brazil	US	India
FOB	174.51	169.2	166.90	243.90
C&F	224.51	224.20	226.90	278.90

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.

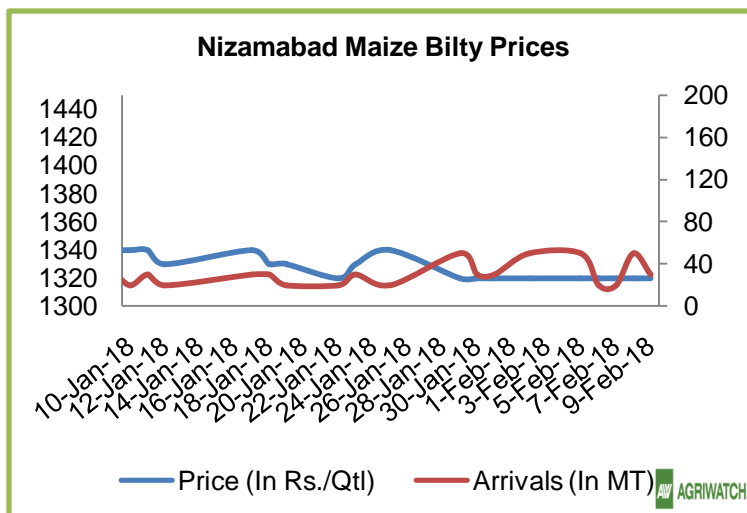
- We are unable to update export-import data as Govt has restricted the latest IBIS data for Public domain. We will be able to update it as and when available.

CURRENT MARKET DYNAMICS:

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

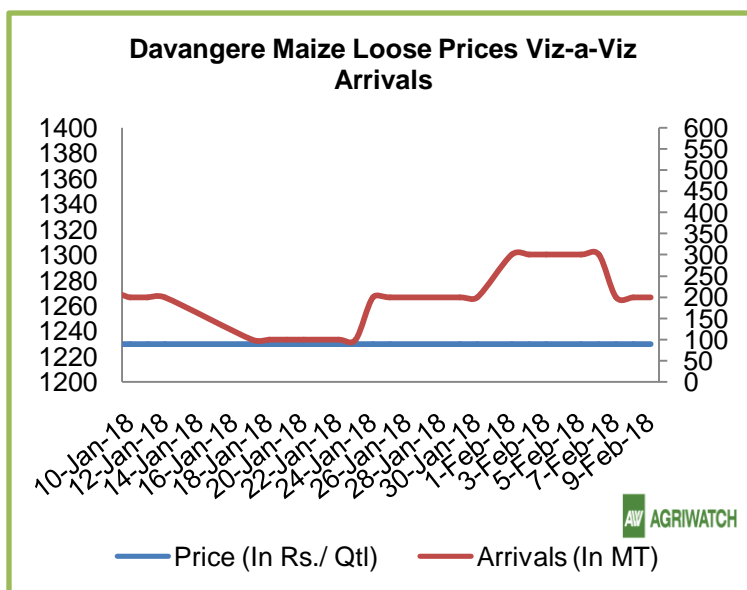
NIZAMABAD:

- In Nizamabad, maize is likely to trade steady to range bound 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 range bound in near term amid sluggish demand. Besides, peak crop arrivals in Tamil Nadu could keep pressure on market sentiments.



DOMESTIC MAIZE OUTLOOK:

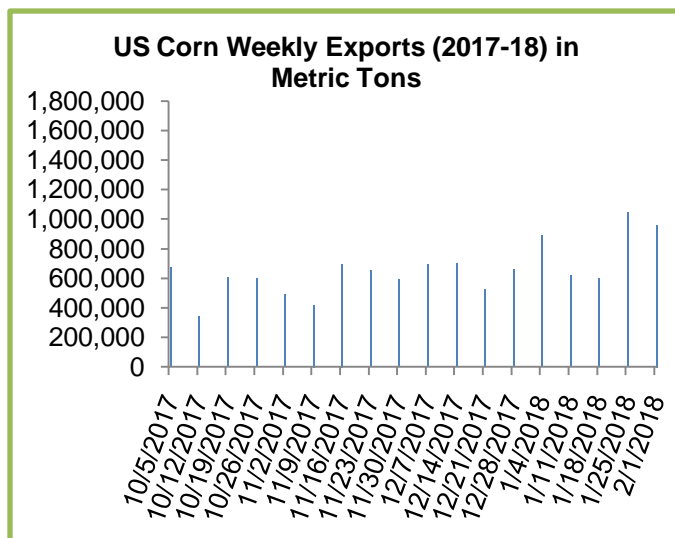
Standard quality maize prices are likely to be steady to slightly weak in near term.

INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 14.77 MMT in the 2017-18 marketing year. At 0.96 MMT (for the period 26th January –1st February, 2018) U.S corn exports were down 8 percent from the previous week, but up 22 percent from the previous 4-week average. The destinations were primarily to Japan (417,000 MT), Mexico (155,300 MT), South Korea (140,000 MT), Peru (78,300 MT), and Colombia (59,800 MT).
- USDA decreased its global corn ending stocks estimates by 3.48 MMT to 203.08 MMT for 2017/18 compared to last month due to decrease in domestic production estimates by 2.82 MMT to 1041.73 MMT for 2017/18 compared to last month.
- Corn ending stock estimates for U.S decreased by 3.17 MMT to 59.75 MMT for 2017/18 due to increase in exports estimates by 3 MMT to 51.50 MMT for 2017/18 compared to last month as the USDA anticipates reduced shipments from both Argentina and the Ukraine. Argentina corn ending stock forecast was decreased by 1.00 MMT to 5.26 MMT for 2017/18 compared to last month on the expectation of fall in production number due to dry weather conditions.
- China has increased forecast for corn import by 0.3 million tons to 1.5 million tons from its previous month forecast for 2017/18 as demand for animal feed grows due to the expansion of large-scale pig farms. As per monthly report published by Chinese Agricultural Supply and Demand Estimates (CASDE), China will consume 222 million tons of corn in 2017/18, up 1.15 million tons from last month's estimate.



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 1.47 USD/MT to 143.79 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.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(April Contract Weekly Chart)

- Candlestick depicts down in the market.
- Prices closed below 9 days EMAs.
- Decrease in prices with lower volume and OI indicates consolidation.
- Strategy: Sell near 1166 for target 1152 and 1145 in the near term.

Strategy: Sell
Maize NCDEX (April)

Support & Resistance				
S2	S1	PCP	R1	R2
1122	1139	1155	1182	1210

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	8-Feb-18	1-Feb-18	8-Jan-18	8-Feb-17	8-Feb-16
Gulabbagh	Bilty	1200	1270	1250	1625	1600
Delhi	Hybrid Maize (U.P.)	1325	1325	1320	1575	1625
Davangere	Loose Price	1230	1230	NA	1620	NA
Shimoga	Bilty	1360	1330	NA	1600	1490
Ranebennur	Bilty	NA	1170	1195	1570	1450
Bagalkot	Hybrid/Local	1148	1159	1160	1426	NA
Gadag	Local	1100	1128	1130	1511	NA
Nizamabad	Bilty	1320	Closed	1340	1500	NA
Khanna	Bilty	1400	1450	1430	1600	NA
Sangli	Feed	NA	NA	1273	1547	1510
Ahmadabad	Feed	1280	1300	1350	1550	1580
	Starch	1300	1315	1340	1560	1625

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	7-Feb-18	31-Jan-18	Change
Corn CBOT Prices	Mar-18	143.79	142.32	1.47
	May-18	146.75	145.47	1.28
	July-18	149.70	148.52	1.18
	Sep-18	152.36	151.37	0.99
	Dec-18	155.41	154.82	0.59

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.