

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

As per Agriwatch trade sources, in Andhra Pradesh, maize acreage has increased around 20% during Rabi season. Also looking at current weather conditions, we expect good crop production compared to last year while in Nizamabad, maize production is likely to be same compared to last year and is likely to trade steady to range bound in near term amid sluggish demand. In Bihar, maize production is expected to be almost same compared to last year despite increase in area as there is chance of yield loss. Bihar crop is expected to be delayed and likely to hit the market in the month of April.

Overall maize cash markets traded steady to slightly firm during the week and is expected to be steady to range bound in near term due to high carry forward stock amid expectation of good crop production during Rabi season.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 2.94% to Rs. 1330 per quintal (weekly average price). However, starch feed makers quoted it firm by 2.59% to Rs. 1348 per quintal compared to last week average price.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for May contract near 1155 levels for a target of 1147 and 1143 with a stop loss at 1159 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.

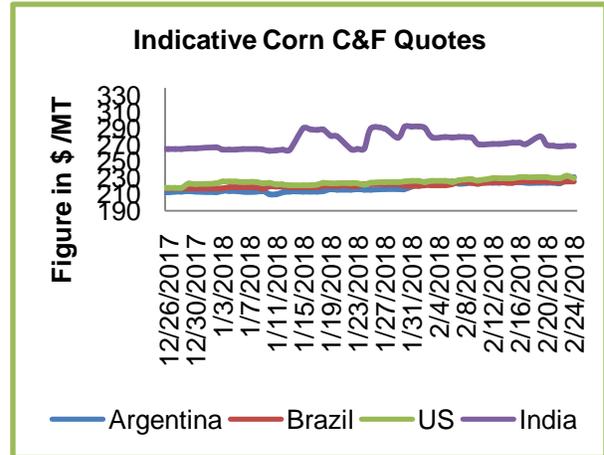
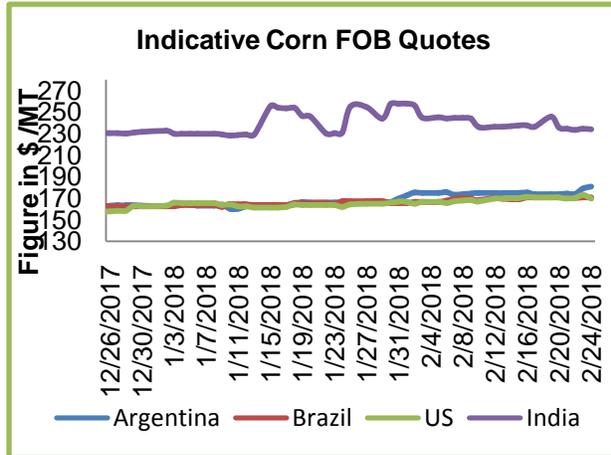
INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 0.59 USD/MT to 143.99 USD/MT for March'18 contract compared to last week due to low export demand for U.S corn.

IGC decreased its forecast for 2017/18 global corn production by 6 MMT to 1048 MMT compared to previous forecast due to low maize output prospects in Argentina, Brazil and South Africa. Forecast for global corn ending stock was also decreased by 8 MMT to 314 MMT compared to last forecast for 2017/18.

At 0.85 MMT (for the period 2nd February –8th February, 2018) U.S corn exports were down 1 percent from the previous week and 2 percent from the previous 4-week average.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.88)				
As on 24.02.2018	Argentina	Brazil	US	India
FOB	181.00	170.50	169.64	234.20
C&F	231.00	225.50	229.64	269.20

As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

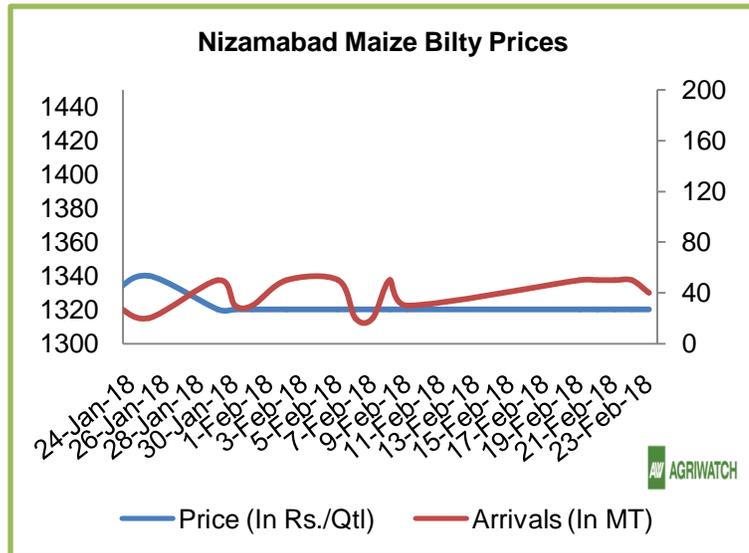
- We are unable to update export-import data as Govt has restricted the latest IBIS data for Public domain. We will be able to update it as and when available.

CURRENT MARKET DYNAMICS:

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

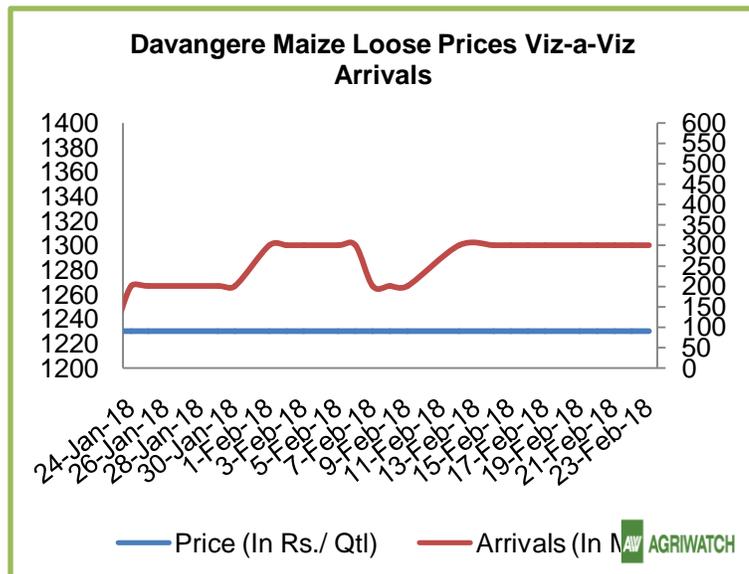
ANDHRA PRADESH:

- Considering the current situation, there is not much risk of drastic fall in prices, in A.P market as it is already being traded at the lower end but new crop arrival pressure which is expected after mid of March could weigh a little, on market sentiments.
- In Nizamabad, maize production is likely to be same compared to last year and is likely to trade steady to range bound in near term amid sluggish demand.



KARNATAKA:

- In Davangere, maize is likely to trade steady to range bound in near term amid sluggish demand. 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.

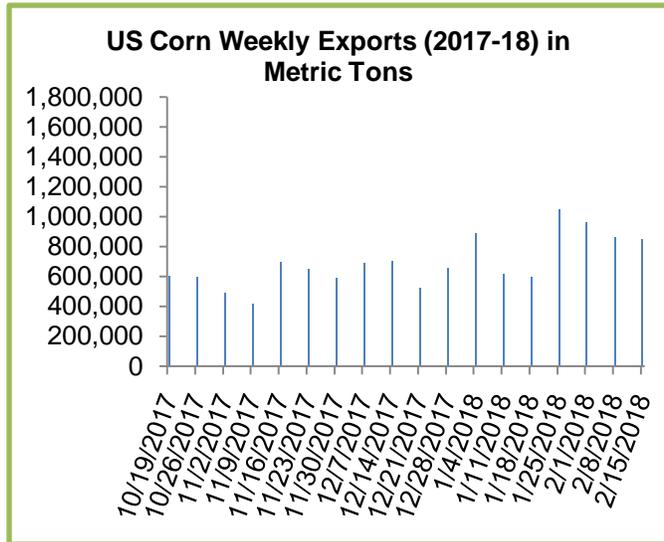


DOMESTIC MAIZE OUTLOOK:

Standard quality maize prices are likely to be steady to range bound despite the expectation of new crop arrival pressure and high carry forward stock.

INTERNATIONALS MARKET:
HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 16.49 MMT in the 2017-18 marketing year. At 0.85 MMT (for the period 2nd February –8th February, 2018) U.S corn exports were down 1 percent from the previous week and 2 percent from the previous 4-week average. The destinations were primarily to South Korea (206,000 MT), Peru (203,800 MT), Mexico (184,500 MT), Japan (118,800 MT), and Colombia (36,500 MT).
- IGC decreased its forecast for 2017/18 global corn production by 6 MMT to 1048 MMT compared to previous forecast due to low maize output prospects in Argentina, Brazil and South Africa. Forecast for global corn ending stock was also decreased by 8 MMT to 314 MMT compared to last forecast for 2017/18.



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 0.59 USD/MT to 143.99 USD/MT for March'18 contract compared to last week due to low export demand for U.S corn.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(May Contract Weekly Chart)

- Candlestick depicts down in the market.
- Prices closed below 9 days EMAs.
- RSI is moving down in neutral zone.
- Decrease in prices with higher volume and OI indicates short build up.
- Strategy: Sell near 1155 for target 1148 and 1143 in the near term.

Strategy: Sell
Maize NCDEX (May)

Support & Resistance				
S2	S1	PCP	R1	R2
1132	1142	1151	1165	1180

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	22-Feb-18	15-Feb-18	22-Jan-18	22-Feb-17	22-Feb-16
Gulabgh	Bilty	1150	1150	1200	1500	NA
Delhi	Hybrid Maize (U.P.)	1350	1350	1325	1580	1650
Davangere	Loose Price	1230	1230	1480	1560	1360
Shimoga	Bilty	1330	1360	1430	1550	1470
Ranebennur	Bilty	1200	1150	1200	1600	1440
Bagalkot	Hybrid/Local	1146	NA	1149	1446	1360
Gadag	Local	1095	1026	1090	1481	1400
Nizamabad	Bilty	1320	Closed	1320	1480	1460
Khanna	Bilty	1410	1405	1360	1640	NA
Sangli	Feed	NA	NA	NA	1538	1470
Ahmadabad	Feed	1370	1280	1300	1520	1550
	Starch	1360	1320	1350	1510	1550

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	21-Feb-18	14-Feb-18	Change
Corn CBOT Prices	Mar-18	143.99	144.58	-0.59
	May-18	147.24	147.53	-0.29
	July-18	150.29	150.58	-0.29
	Sep-18	153.04	153.04	Unch
	Dec-18	156.10	156.10	Unch

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