

Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Maize kharif and rabi production estimate has been pegged higher at 27.14 MMT against production target of 26.00 MMT in the second advance estimate released on 27th february-2018 by Department of Agriculture, Cooperation and Farmers welfare. For 2016-17, final production kharif and rabi has been pegged at 25.9 MMT. Kharif Maize production has been pegged at 19.51 MMT against target of 19.00 MMT while rabi production has been pegged at 7.63 MMT against target of 7.00 MMT.

In Maharashtra, maize prices are likely to increase in near term due to increase in demand from Gujarat feed makers.

In A.P., considering current weather conditions, Agriwatch expects good crop production compared to last year while 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 range bound during the week and is expected to be steady to range bound in near term too 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 1.69% to Rs. 1353 per quintal (weekly average price). However, starch feed makers quoted it firm by 0.89% to Rs. 1360 per quintal compared to last week average price.

RECOMMENDATION:

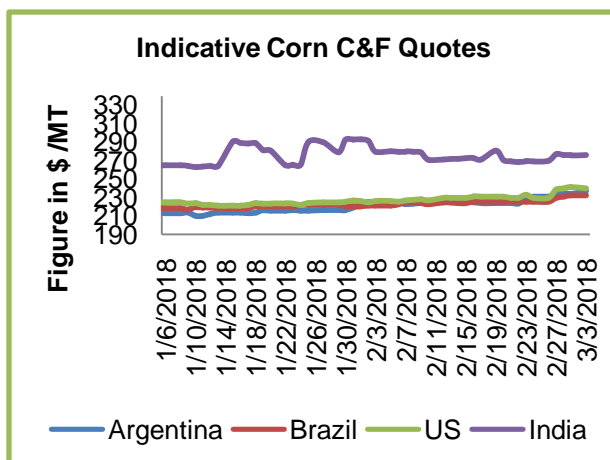
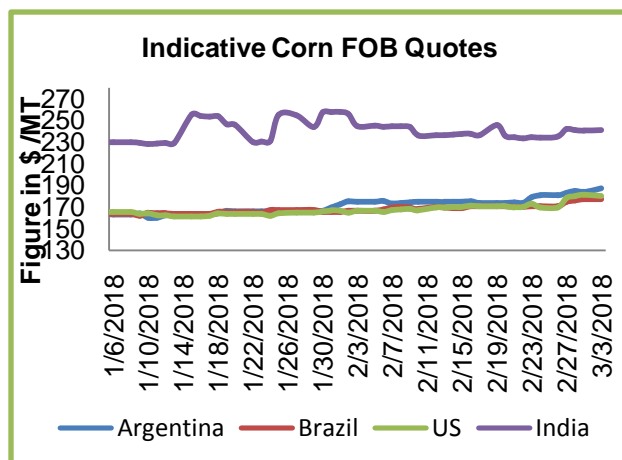
Weekly Call - : Market participants are advised to go short in Maize for May contract near 1163 levels for a target of 1153 and 1148 with a stop loss at 1169 on closing basis. In Davangere cash market, prices of good quality of maize (loose) are likely to trade at Rs. 1200-1230 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 3.44 USD/MT to 147.43 USD/MT for March'18 contract compared to last week due to increase in export demand for U.S corn.

At 1.27 MMT (for the period 16th February -22nd February, 2018) U.S corn exports were up 50 percent from the previous week and 37 percent from the previous 4-week average.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 65.20)				
As on 03.03.2018	Argentina	Brazil	US	India
FOB	187.50	177.20	180.07	240.80
C&F	237.50	232.20	240.07	275.80

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.

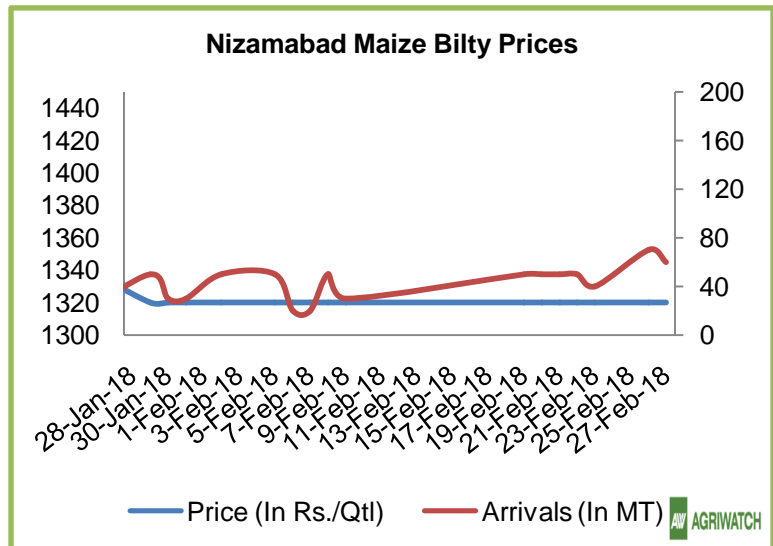
- We are unable to update export-import data as Govt has restricted the latest IBIS data for Public domain. We will be able to update it as and when available.

CURRENT MARKET DYNAMICS:

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

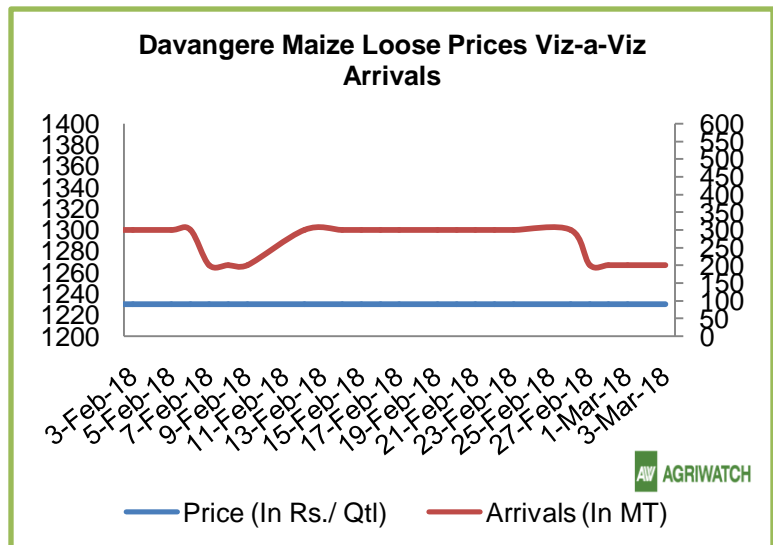
ANDHRA PRADESH:

- 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.

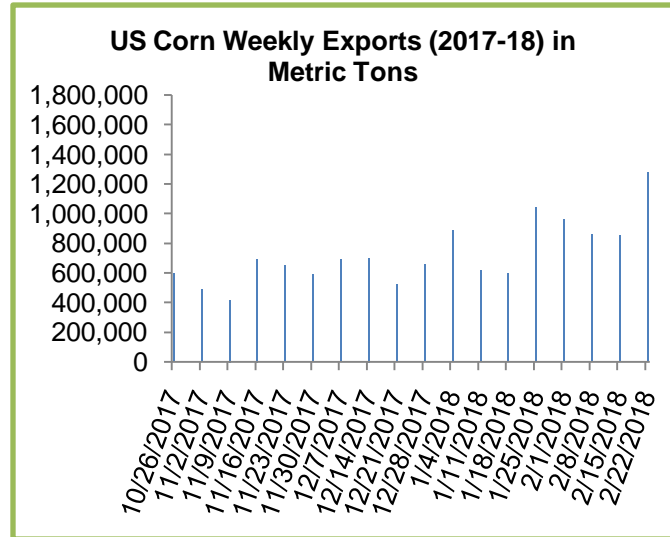


DOMESTIC MAIZE OUTLOOK:

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 17.76 MMT in the 2017-18 marketing year. At 1.27 MMT (for the period 16th February -22nd February, 2018) U.S corn exports were up 50 percent from the previous week and 37 percent from the prior 4-week average. The destinations were primarily to Mexico (244,100 MT), Japan (225,100 MT), South Korea (204,000 MT), Saudi Arabia (114,800 MT), and Colombia (92,400 MT).

**INTERNATIONAL CORN OUTLOOK:**

Corn prices on CBOT rose by 3.44 USD/MT to 147.43 USD/MT for March'18 contract compared to last week due to increase in export demand for U.S corn and are likely to go up as drought situation in Argentina is likely to affect the corn crop. Besides, Brazilian corn production is also likely to get affected as there could be expected delay in soybean harvest affecting the second corn crop.

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 1163 for target 1153 and 1148 in the near term.

Strategy: Sell
Maize NCDEX (May)

Support & Resistance				
S2	S1	PCP	R1	R2
1140	1147	1150	1170	1174

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	1-Mar-18	22-Feb-18	29-Jan-18	1-Mar-17	29-Feb-16
Gulabgadh	Bilty	1200	1150	1180	1450	NA
Delhi	Hybrid Maize (U.P.)	1350	1350	1325	1580	1670
Davangere	Loose Price	1230	1230	1230	1500	1360
Shimoga	Bilty	1330	1330	1330	1550	1470
Ranebennur	Bilty	1200	1200	1190	1555	1375
Bagalkot	Hybrid/Local	1136	1115	1166	1440	1371
Gadag	Local	1089	1086	1133	1480	1370
Nizamabad	Bilty	1320	1320	1320	1470	1425
Khanna	Bilty	1420	1410	1355	1650	NA
Sangli	Feed	NA	NA	NA	1545	1490
Ahmadabad	Feed	1360	1370	1325	1520	1560
	Starch	1375	1360	1315	1500	1560

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	28-Feb-18	21-Feb-18	Change
Corn CBOT Prices	Mar-18	147.43	143.99	3.44
	May-18	150.39	147.24	3.15
	July-18	153.34	150.29	3.05
	Sep-18	155.5	153.04	2.46
	Dec-18	158.06	156.1	1.96

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