

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

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 high carry forward stock amid new crop arrival pressure in to the market.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 0.96% to Rs. 1340 per quintal (weekly average price). Meanwhile starch feed makers quoted it down by 0.29% to Rs. 1356 per quintal compared to last week average price.

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.

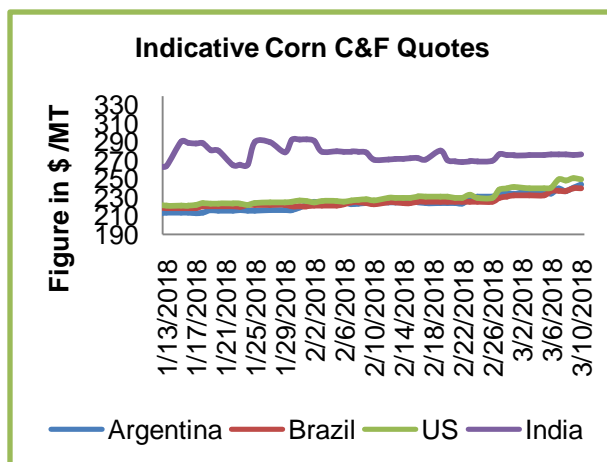
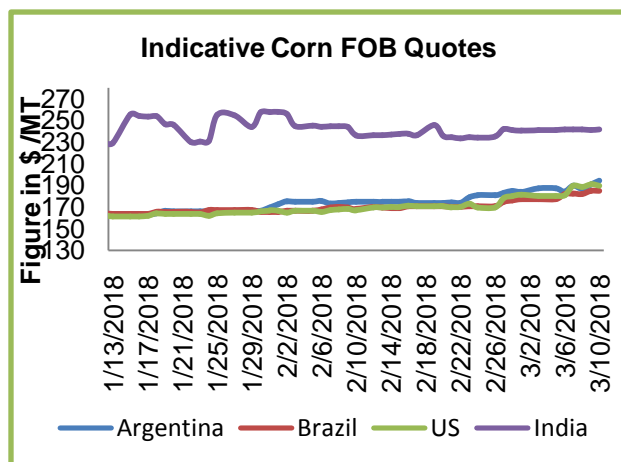
RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for May contract near 1148 levels for a target of 1138 and 1133 with a stop loss at 1154 on closing basis. In Davangere cash market, prices of good quality of maize (loose) are likely to trade at Rs. 1170-1200 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 1.87 USD/MT to 149.30 USD/MT for March'18 contract compared to last week as USDA decreased its corn ending stock estimates for U.S by 5.72 MMT to 54.04 MMT for 2017/18 due to increase in exports and domestic consumption estimates by 4.5 MMT and 1.27 MMT respectively compared to last month estimates. Agriwatch expects that corn prices on CBOT could go up as drought situation in Argentina likely to affect the corn crop. Besides, Brazilian corn production is also likely to get affected as there will be expected delay in soybean harvest and affect the second corn crop.

At 1.07 MMT (for the period 23rd February -1st March, 2018) U.S corn exports were down 13 percent from the previous week, but up 10 percent from the previous 4-week average.

EXPORT PARITY TREND


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 65.00)				
As on 10.03.2018	Argentina	Brazil	US	India
FOB	194.29	185.00	189.80	241.54
C&F	244.29	240.00	249.80	276.54

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.

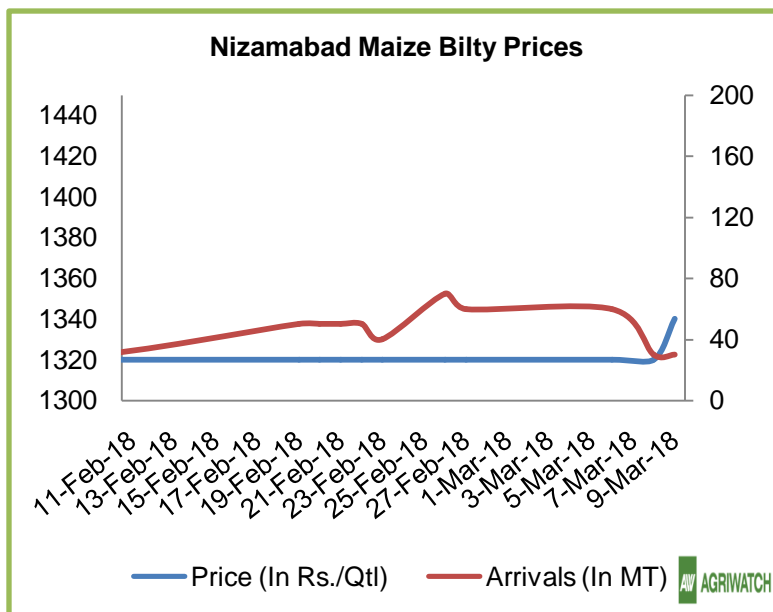
- We are unable to update export-import data as Govt has restricted the latest IBIS data for Public domain. We will be able to update it as and when available.

CURRENT MARKET DYNAMICS:

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

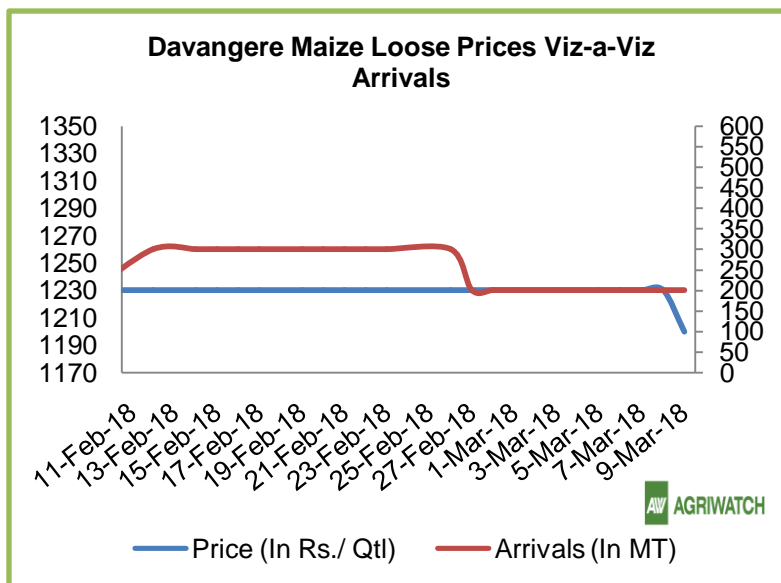
ANDHRA PRADESH:

- 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 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 local feed makers demand.



KARNATAKA:

- In Davangere, maize is likely to trade steady to slightly weak 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.

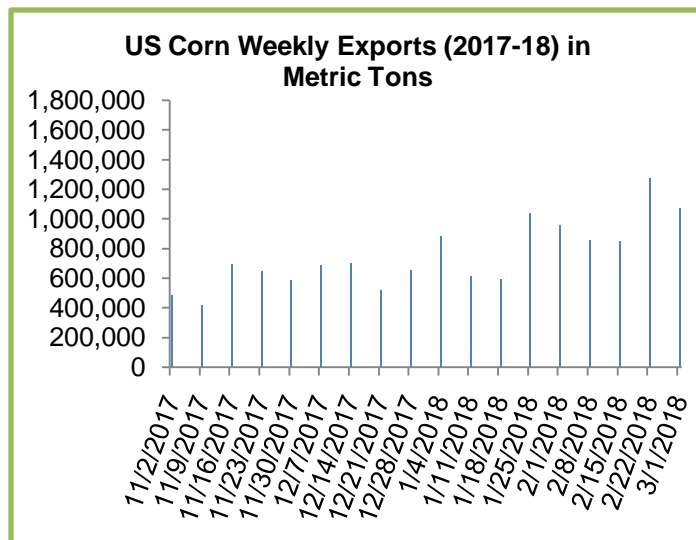


DOMESTIC MAIZE OUTLOOK:

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 18.81 MMT in the 2017-18 marketing year. At 1.07 MMT (for the period 23rd February -1st March, 2018) U.S corn exports were down 13 percent from the previous week, but up 10 percent from the previous 4-week average. The destinations were primarily to Mexico (294,300 MT), Japan (230,800 MT), South Korea (134,200 MT), Colombia (77,600 MT), and the Netherlands (71,400 MT).
- USDA decreased its global corn ending stocks estimates by 3.92 MMT to 199.17 MMT for 2017/18 compared to last month due to increase in domestic consumption estimates by 4.85 MMT to 1066.14 MMT for 2017/18 compared to last month.
- Corn ending stock estimates for U.S decreased by 5.72 MMT to 54.04 MMT for 2017/18 due to increase in exports estimates by 4.5 MMT to 56.00 MMT for 2017/18 compared to last month as the USDA anticipates reduced shipments from both Argentina and the Ukraine. Besides, increase in domestic consumption estimates by 1.27 MMT to 319.93 MMT compared to last month also reduced the corn ending stock estimates for U.S.
- Major Feedmill Group of South Korea purchased about 1,36,000 MT of corn from Dreyfus in two consignment. One consignment of 68,000 MT was bought at \$214.09 per MT c&f plus a \$1.25 per MT surcharge for additional port unloading for arrival around May 21. Another 68,000 MT was bought at \$213.30 per MT with an additional \$1.25 per MT surcharge for additional port unloading for June 2 arrivals.



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 1.87 USD/MT to 149.30 USD/MT for March'18 contract compared to last week and are likely to go up as drought situation in Argentina is likely to affect the corn crop.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(May Contract Weekly Chart)

- Candlestick depicts down in the market.
- Prices closed below 9 and 18 days EMAs.
- Decrease in prices with higher volume and OI indicates short build up.
- Strategy: Sell near 1148 for target 1138 and 1133 in the near term.

Strategy: Sell
Maize NCDEX (May)

Support & Resistance				
S2	S1	PCP	R1	R2
1114	1128	1143	1160	1177

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1170-1200 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	8-Mar-18	1-Mar-18	8-Feb-18	8-Mar-17	8-Mar-16
Gulabbagh	Bilty	1200	1200	1200	1400	1600
Delhi	Hybrid Maize (U.P.)	1340	1350	1325	1580	1680
Davangere	Loose Price	1230	1230	1230	1540	1360
Shimoga	Bilty	1330	1330	1360	1550	1470
Ranebennur	Bilty	1150	1150	1200	1570	1450
Bagalkot	Hybrid/Local	1146	1140	1148	1455	1375
Gadag	Local	1072	1100	1100	1481	1400
Nizamabad	Bilty	1320	Closed	1320	1470	1470
Khanna	Bilty	1400	1420	1400	1630	1750
Sangli	Feed	NA	NA	NA	1545	1470
Ahmadabad	Feed	1310	1350	1280	1575	1560
	Starch	1330	1350	1300	1600	1580

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	7-Mar-18	28-Feb-18	Change
Corn CBOT Prices	Mar-18	149.30	147.43	1.87
	May-18	152.45	150.39	2.06
	July-18	155.31	153.34	1.97
	Sep-18	157.37	155.50	1.87
	Dec-18	159.93	158.06	1.87

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