

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded mixed during the week and is expected to be steady to range bound in near term despite high carry forward stock and new crop arrival pressure in to the market.

In Gulabghat region of Bihar, maize prices have recovered from the bottom level due to delay in new crop arrivals which are expected to hit the market from the mid April. Besides, yield loss is another factor to support the market gain. That recovery could also limit the bottom level of South Indian markets during harvesting season.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 0.15% to Rs. 1345 per quintal (weekly average price). Meanwhile starch feed makers quoted it firm by 3.94% to Rs. 1398 per quintal compared to last week average price.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for May contract near 1170 levels for a target of 1178 and 1182 with a stop loss at 1166 on closing basis. In Davangere cash market, prices of good quality of maize (loose) are likely to trade at Rs. 1140-1160 per quintal for the week.

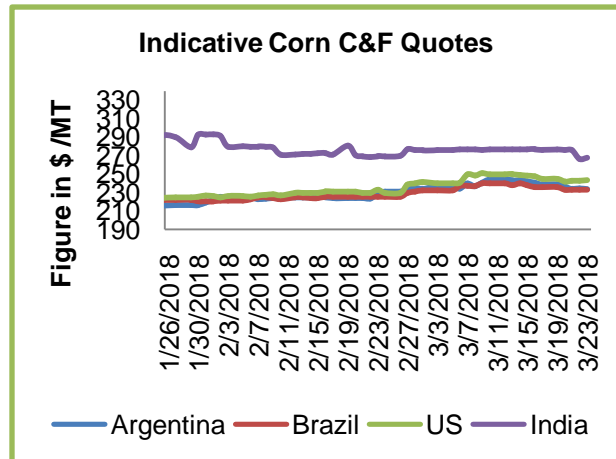
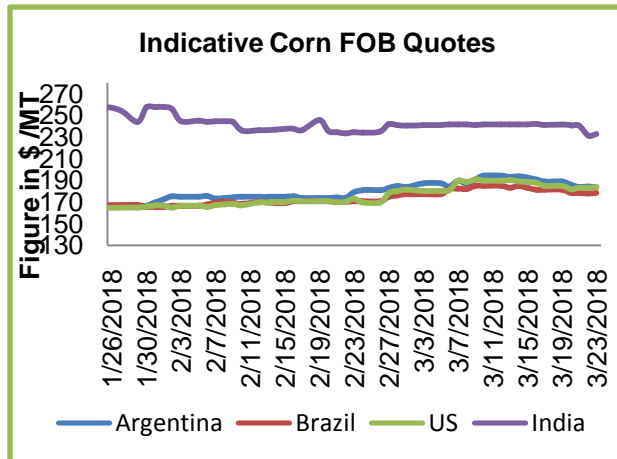
INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 1.87 USD/MT to 147.63 USD/MT for May'18 contract compared to last week.

At 1.38 MMT (for the period 9th March -15th March, 2018) US corn exports were down 2 percent from the previous week, but up 20 percent from the previous 4-week average.

IGC decreased its global corn production forecast by 3 MMT to 1045 MMT compared to previous forecast for 2017/18. Forecast for global corn ending stock was also decreased by 6 MMT to 308 MMT compared to last forecast for 2017/18 due to increase in consumption estimates by 6 MMT to 1074 MMT.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 65.13)				
As on 23.03.2018	Argentina	Brazil	US	India
FOB	183.66	178.3	183.46	232.77
C&F	233.66	233.30	243.46	267.77

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.

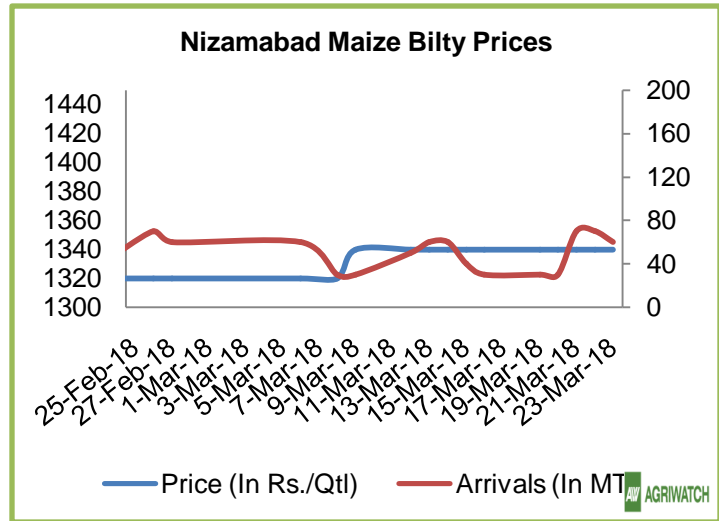
- We are unable to update export-import data as Govt has restricted the latest IBIS data for Public domain. We will be able to update it as and when available.

CURRENT MARKET DYNAMICS:

During the week under review, mixed sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

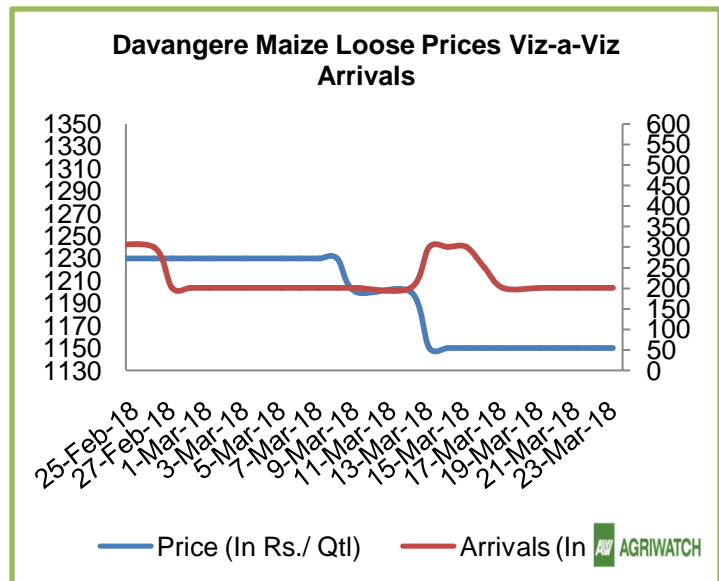
ANDHRA PRADESH:

- 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 is likely to trade steady to range bound in near term amid local feed makers demand. New crop arrivals are expected in next few days.



KARNATAKA:

- In Davangere, maize is likely to trade steady to firm in near term by taking cues of yield loss in Bihar. However, new crop arrival pressure in nearby districts could limit the gain.

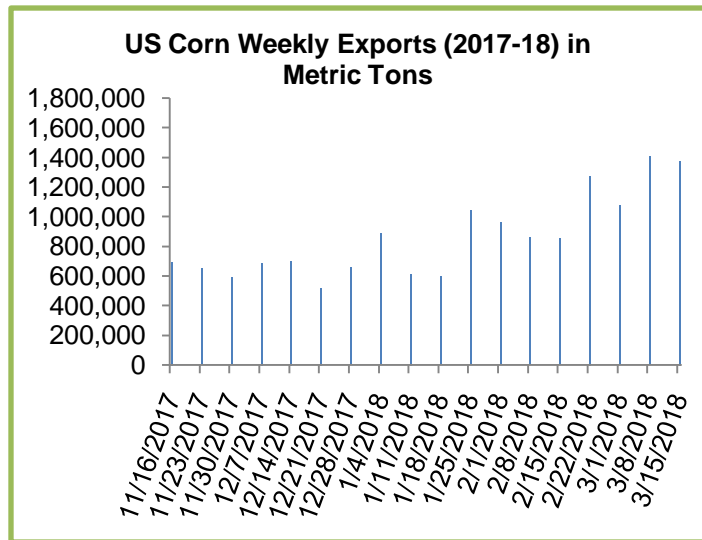


DOMESTIC MAIZE OUTLOOK:

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

INTERNATIONALS MARKET:
HIGHLIGHTS/CURRENT DEVELOPMENTS

➤ As per USDA, U.S corn exports reached 21.58 MMT in the 2017-18 marketing year. At 1.38 MMT (for the period 9th March -15th March, 2018) US corn exports were down 2 percent from the previous week, but up 20 percent from the previous 4-week average. The destinations were primarily to Japan (276,000 MT), South Korea (270,300 MT), Mexico (194,600 MT), Colombia (110,500 MT), and Saudi Arabia (72,800 MT).



➤ IGC decreased its global corn production forecast by 3 MMT to 1045 MMT compared to previous forecast for 2017/18. Forecast for global corn ending stock was also decreased by 6 MMT to 308 MMT compared to last forecast for 2017/18 due to increase in consumption estimates by 6 MMT to 1074 MMT. IGC also forecast global corn production at 1052 MMT for 2018/19.

➤ Major Feedmill group of South Korea purchased about 69,000 MT corn at \$215.87 per MT c&f for the arrival around August 8. Another 69,000 MT was purchased at \$215.97 per MT c&f for arrival in South Korea around Aug. 17.

INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 1.87 USD/MT to 147.63 USD/MT for May'18 contract compared to last week. However, Agriwatch expects corn prices on CBOT to up on the expectation of increase in demand for U.S corn.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(May Contract Weekly Chart)

- Doji candlestick depicts indecision situation in the market.
- Prices closed above 9 days EMAs.
- RSI is moving down in neutral zone.
- Strategy: Buy near 1170 for target 1178 and 1182 in the near term.

Strategy: Buy
Maize NCDEX (May)

Support & Resistance				
S2	S1	PCP	R1	R2
1145	1157	1170	1183	1195

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1140-1160 per quintal for the week.

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

Market	Grade	22-Mar-18	15-Mar-18	22-Feb-18	22-Mar-17	22-Mar-16
Gulabgh	Bilty	1350	1200	1150	1470	NA
Delhi	Hybrid Maize (U.P.)	1380	1340	1350	1600	1650
Davangere	Loose Price	1150	1150	1230	1480	1360
Shimoga	Bilty	NA	NA	1330	1530	1500
Ranebennur	Bilty	1100	1200	1200	1525	1401
Bagalkot	Hybrid/Local	1119	1101	1115	1467	1370
Gadag	Local	1046	1044	1086	1479	1377
Nizamabad	Bilty	1340	1340	1320	1450	1410
Khanna	Bilty	1380	1400	1410	1600	1710
Sangli	Feed	NA	NA	NA	1545	1483
Ahmadabad	Feed	1340	1350	1370	1530	1540
	Starch	1400	1340	1360	1560	1580

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	21-Mar-18	14-Mar-18	Change
Corn CBOT Prices	May-18	147.63	150.98	-1.87
	July-18	150.78	153.04	-2.66
	Sep-18	153.34	156.19	-1.48
	Dec-18	156.19	158.36	-1.67
	Mar-19	158.95	160.52	-4.04

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