

# Maize Weekly Research Report

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**EXECUTIVE SUMMARY****DOMESTIC MAIZE MARKET SUMMARY**

Sentiments remained same as most of the maize cash markets were closed during last week due to Mahavir Jayanti, Good Friday and Financial year closing. However, maize cash markets traded steady to firm during the week by taking cues of yield loss in Bihar. In Gulabbagh region of Bihar, maize prices recovered from the bottom level due to yield loss and delay in new crop arrivals which are expected to hit the market from the mid of April. Agriwatch expecting that recovery could limit the bottom level of South Indian markets during harvesting season too despite high carry forward stock.

However, in Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 1.78% to Rs. 1321 per quintal (weekly average price). Meanwhile starch feed makers quoted it down by 2.86% to Rs. 1358 per quintal compared to last week average price.

**RECOMMENDATION:**

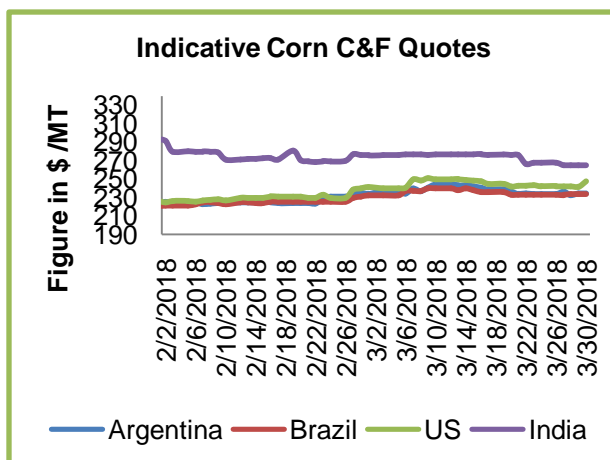
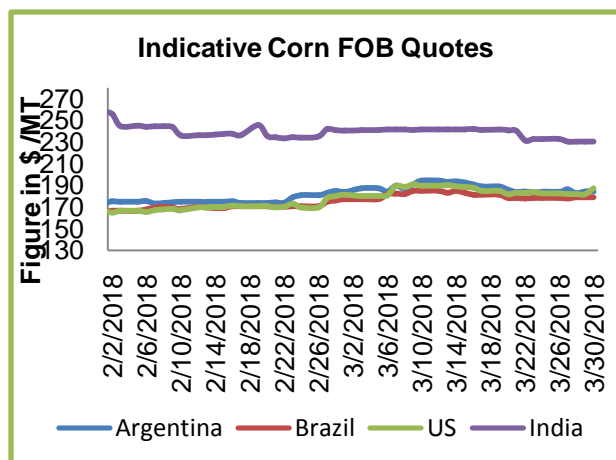
Weekly Call - : Market participants are advised to go long in Maize for May contract near 1146 levels for a target of 1164 and 1173 with a stop loss at 1137 on closing basis. In Davangere cash market, prices of good quality of maize (loose) are likely to trade at Rs. 1250-1280 per quintal for the week.

**INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT rose by 1.67 USD/ MT to 152.65 USD/MT for May'18 contract compared to last week after USDA projected a larger than expected decline in U.S corn plantings for 2018. U.S. corn planted area projected lower by 2.141 million acres to 88.026 million acres for 2018 compared to last year and below an average of analyst expectations for 89.420 million acres.

At 1.38 MMT (for the period 9th March -15th March, 2018) US corn exports were unchanged from the previous week, but up 8 percent from the previous 4-week average.

USDA quarterly stocks report shows totaled corn stocks in all positions on March 1, 2018 at 225.78 MMT, up by 6.77 MMT from March 1, 2017.

**EXPORT PARITY TREND**


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 65.03)				
As on 30.03.2018	Argentina	Brazil	US	India
<b>FOB</b>	184.45	178.70	187.32	230.23
<b>C&amp;F</b>	234.45	233.70	247.32	265.23

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.

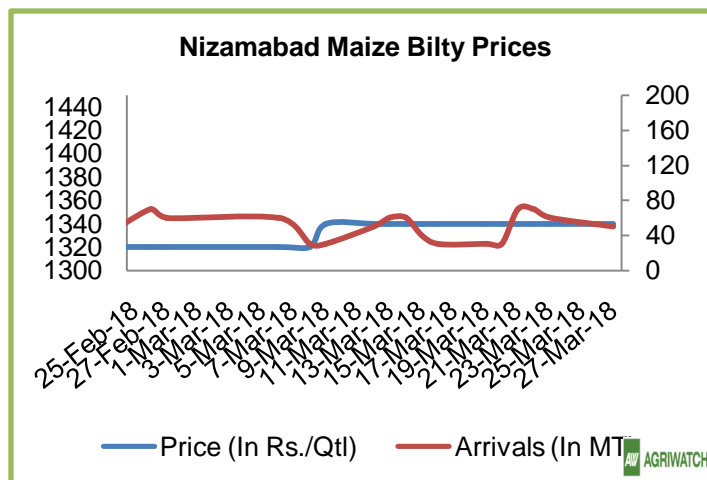
- We are unable to update export-import data as Govt has restricted the latest IBIS data for Public domain. We will be able to update it as and when available.

## CURRENT MARKET DYNAMICS:

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

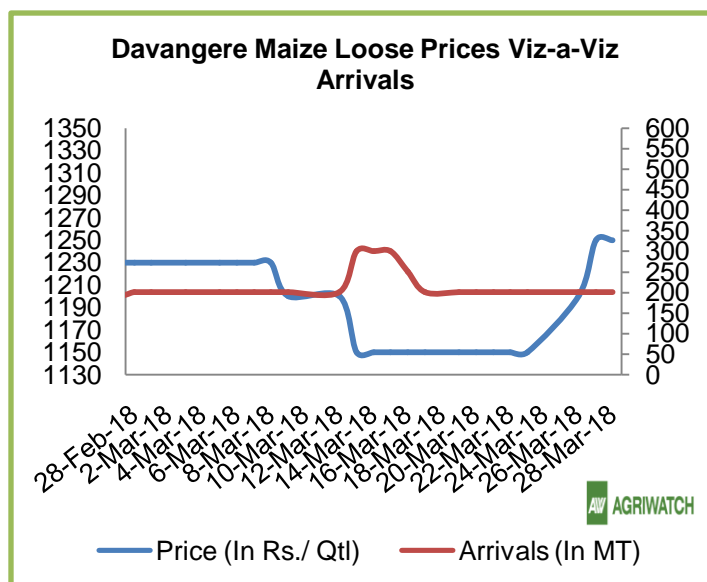
### ANDHRA PRADESH:

- 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 could weigh a little, on market sentiments. However, in Nizamabad, maize 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 firm in near term by taking cues of yield loss in Bihar. However, new crop arrival pressure in nearby districts could limit the gain.

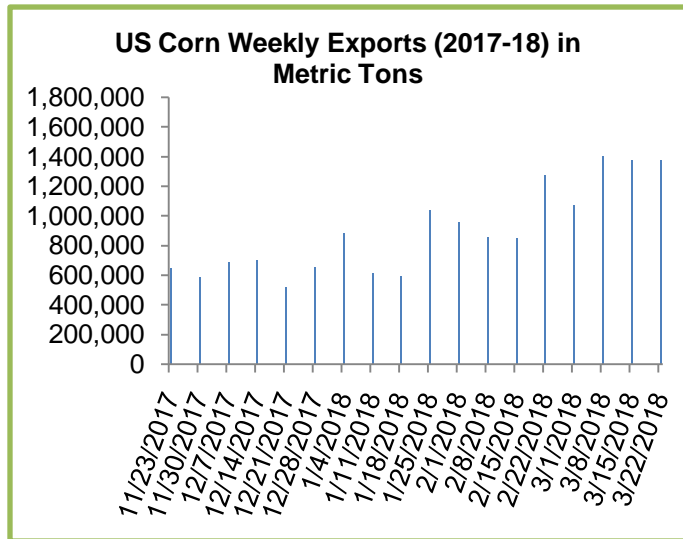


## DOMESTIC MAIZE OUTLOOK:

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 22.96 MMT in the 2017-18 marketing year. At 1.38 MMT (for the period 9th March -15th March, 2018) US corn exports were unchanged from the previous week, but up 8 percent from the previous 4-week average. The destinations were primarily to Mexico (294,500 MT), South Korea (255,300 MT), Japan (195,400 MT), Colombia (154,500 MT), and Vietnam (136,500 MT).
- USDA quarterly stocks report shows totaled corn stocks in all positions on March 1, 2018 at 225.78 MMT, up by 6.77 MMT from March 1, 2017. Of the total stocks, 127.06 MMT are stored on farms, up by 2.39 MMT from March 1, 2017. Off-farm stocks, at 98.72 MMT, up by 4.38 MMT from the last year.
- Feed Leaders Committee of South Korea purchased about 65,000 MT of corn from trading group CJ International at around \$214.90 / MT c&f plus an extra \$1.25 /MT surcharge for additional port unloading for arrival in South Korea around Aug. 30.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT rose by 1.67 USD/ MT to 152.65 USD/MT for May'18 contract compared to last week after USDA projected a larger than expected decline in U.S corn plantings for 2018. U.S. corn planted area projected lower by 2.141 million acres to 88.026 million acres for 2018 compared to last year and below an average of analyst expectations for 89.420 million acres.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(May Contract Weekly Chart)**

- Candlestick depicts firm situation in the market.
- Prices closed above 9 days EMAs.
- RSI is moving up in neutral zone.
- Strategy: Buy near 1146 for target 1164 and 1173 in the near term.

**Strategy: Buy**
**Maize NCDEX (May)**

Support & Resistance				
S2	S1	PCP	R1	R2
1120	1136	1159	1174	1190

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1250-1280 per quintal for the week.

### ANNEXURE

#### MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	29-Mar-18	22-Mar-18	28-Feb-18	29-Mar-17	29-Mar-16
Gulabgagh	Bilty	1350	1350	1200	1420	NA
Delhi	Hybrid Maize (U.P.)	1400	1380	1350	1550	1600
Davangere	Loose Price	1250	1150	1230	1500	1360
Shimoga	Bilty	1330	1300	1330	1540	1500
Ranebennur	Bilty	1130	1100	1200	1650	1430
Bagalkot	Hybrid/Local	1100	1119	1136	1483	1385
Gadag	Local	1045	NA	1089	1622	1405
Nizamabad	Bilty	1340	1340	1320	1450	1400
Khanna	Bilty	1450	1380	1400	1650	1750
Sangli	Feed	NA	NA	NA	1540	1490
Ahmadabad	Feed	1320	1340	1350	1540	1550
	Starch	1370	1400	1350	1560	1570

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	29-Mar-18	21-Mar-18	Change
Corn CBOT Prices	May-18	152.65	150.98	1.67
	July-18	156.00	153.04	2.96
	Sep-18	158.75	156.19	2.56
	Dec-18	162.00	158.36	3.64
	Mar-19	164.66	160.52	4.14

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