



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to firm during the week. However, it could trade steady to slightly weak in near term due to new crop arrival pressure and high carry forward stock.

In Naugachia and Gulabbagh region of Bihar, maize new crop arrivals have started in low quantity and contains 15-16% moisture. We are expecting that peak crop arrivals could be seen from the month of May and could weigh on market sentiments that time. In Bihar, carry forward stock of maize could be around 15000 to 20000 MT.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 1.73% to Rs. 1349 per quintal (weekly average price). Meanwhile starch feed makers quoted it firm by 0.73% to Rs. 1388 per quintal compared to last week average price.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for May contract near 1200 levels for a target of 1208 and 1212 with a stop loss at 1196 on closing basis. In Davangere cash market, prices of good quality of maize (loose) are likely to trade at Rs. 1230-1250 per quintal for the week.

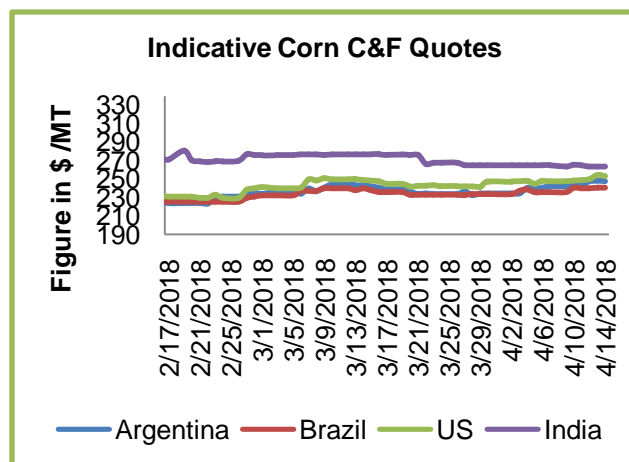
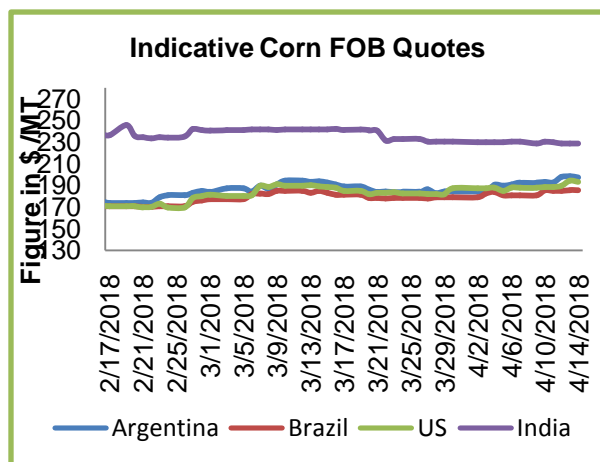
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 2.37 USD/ MT to 152.36 USD/MT for May'18 contract compared to last week on the concern over potential U.S. planting delay as snow fell in portions of the Midwest crop belt. Besides, low corn planting intention in the US, also led support to higher corn prices.

At 1.91 MMT (for the period 30th March -5th April, 2018) US corn exports were up 51 percent from the previous week and 41 percent from the previous 4-week average.

USDA decreased its global corn ending stocks estimates by 1.387 MMT to 197.78 MMT for 2017/18 compared to last month due to decrease in production estimates by 5.66 MMT to 1036.07 MMT for 2017/18 compared to last month.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 65.26)				
As on 14.04.2018	Argentina	Brazil	US	India
FOB	197.34	185.70	193.43	228.93
C&F	247.34	240.7	253.43	263.93

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.

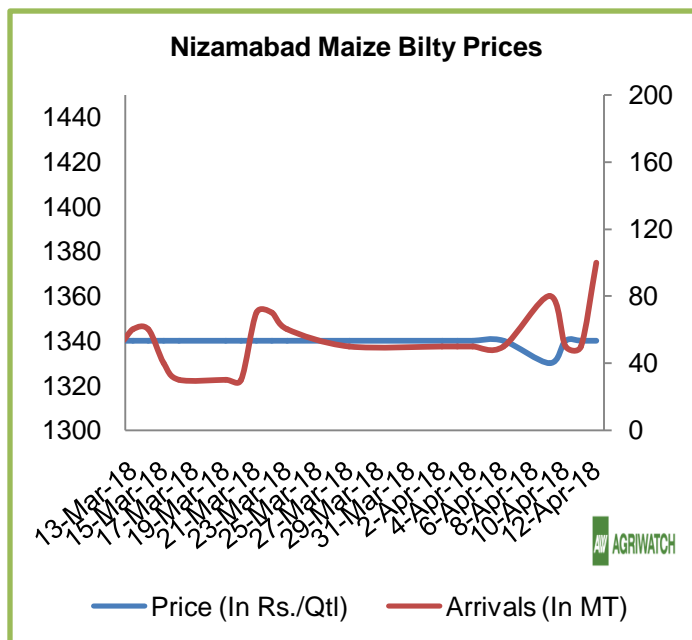
- We are unable to update export-import data as Govt has restricted the latest IBIS data for Public domain. We will be able to update it as and when available.

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:

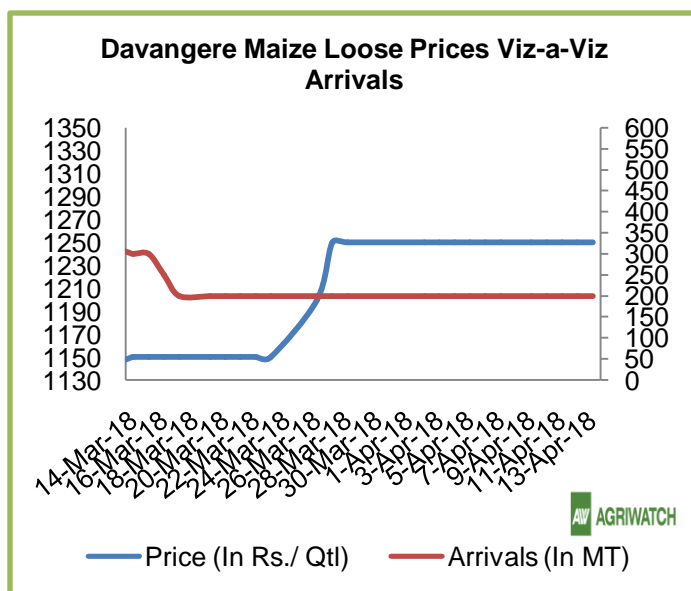
ANDHRA PRADESH:

- Considering the current situation, there is not much risk of drastic fall in prices in A.P as it is already being traded at the lower end but new crop arrival pressure could weigh a little on market sentiments. In Nizamabad too, despite new crop arrivals maize could trade steady to slightly weak as at the lower level, stockists demand could limit the market from fall.
- As per trade a source, in Nizamabad area, around 8000 bags(1 bag=60 kg) has been affected by recent hailstorm and heavy wind and expected to trade lower by Rs. 30 per quintal from the normal trade rates. Stock of maize in Nizamabad could be around 2.5 lakh quintal.



KARNATAKA:

- In Davangere, maize is likely to trade steady to slightly weak in near term amid sluggish demand. In Karnataka, stock of maize could be around 2 lakh quintal which was 3 lakh quintals during corresponding period last year.

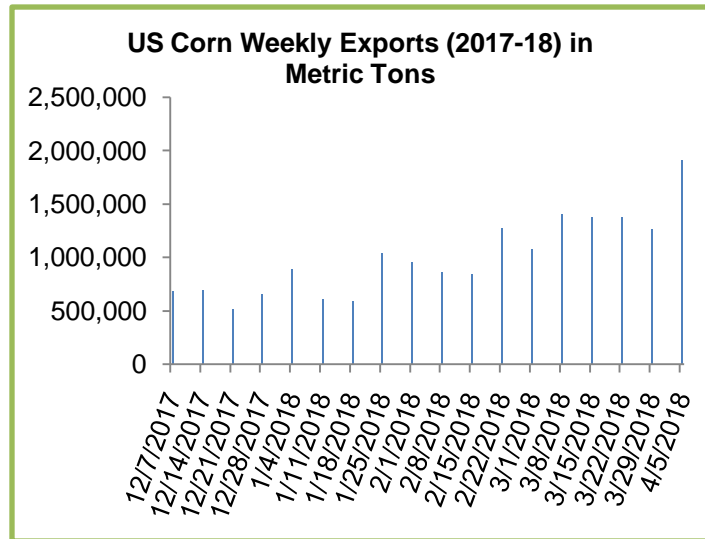


DOMESTIC MAIZE OUTLOOK:

Standard quality maize prices are likely to be steady to slightly weak due to new crop arrival pressure and high carry forward stock.

INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 26.14 MMT in the 2017-18 marketing year. At 1.91 MMT (for the period 30th March -5th April, 2018) US corn exports were up 51 percent from the previous week and 41 percent from the previous 4-week average. The destinations were primarily to Japan (435,000 MT), Mexico (365,400 MT), Vietnam (247,200 MT), Saudi Arabia (130,800 MT), and Colombia (123,700 MT).
- USDA decreased its global corn ending stocks estimates by 1.387 MMT to 197.78 MMT for 2017/18 compared to last month due to decrease in production estimates by 5.66 MMT to 1036.07 MMT for 2017/18 compared to last month.
- Argentina corn ending stock forecasted down by 1.29 MMT to 3.98 MMT for 2017/18 compared to last month while Brazil corn ending stock forecasted down by 0.5 MMT to 10.92 MMT compared to last month.
- Corn ending stock estimates for U.S increased by 1.397 MMT to 55.44 MMT for 2017/18 due to decrease in domestic consumption estimates by 1.397 MMT to 318.53 MMT for 2017/18 compared to last month but down by 2.818 MMT compared to last year due to decrease in production estimates by 13.82 MMT to 370.96 MMT.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT rose by 2.37 USD/ MT to 152.36 USD/MT for May'18 contract compared to last week on the concern over potential U.S. planting delay as snow fell in portions of the Midwest crop belt. Besides, low corn planting intention in the US, also led support to higher corn prices.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(May Contract Weekly Chart)

- Candlestick depicts firm situation in the market.
- Prices closed above 9 days EMAs.
- However, RSI is moving up in overbought zone might take correction in short run.
- Strategy: Buy near 1200 for target 1208 and 1212 in the near term.

Strategy: Buy
Maize NCDEX (May)

Support & Resistance				
S2	S1	PCP	R1	R2
1149	1175	1202	1218	1234

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1230-1250 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	12-Apr-18	5-Apr-18	12-Mar-18	12-Apr-17	12-Apr-16
Gulabgagh	Bilty	1350	1350	1200	1325	1120
Delhi	Hybrid Maize (U.P.)	1450	1450	1340	1475	1350
Davangere	Loose Price	1250	1250	1200	1520	1360
Shimoga	Bilty	1400	1380	1330	1540	1460
Ranebennur	Bilty	1195	1190	1200	1600	1370
Bagalkot	Hybrid/Local	1150	1141	1110	1466	1421
Gadag	Local	1120	1105	1015	1528	1402
Nizamabad	Bilty	1340	1340	1340	1470	1420
Khanna	Bilty	1535	1530	1410	1600	1625
Sangli	Feed	NA	NA	NA	1550	1520
Ahmadabad	Feed	1355	1325	1350	1525	1480
	Starch	1380	1380	1350	1550	1500

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	11-Apr-18	4-Apr-18	Change
Corn CBOT Prices	May-18	152.36	149.99	2.37
	July-18	155.80	153.44	2.36
	Sep-18	158.56	156.19	2.37
	Dec-18	162.20	159.44	2.76
	Mar-19	165.25	162.30	2.95

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