



Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded steady to range bound 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.

As per trade source, India exported 23,057 MT of maize for the month of Feb'18 at an average FoB of \$237.33/ MT. Indian maize is exported mainly to Nepal followed by Malaysia mainly through Raxaul and JNPT Sea. While, During the month of Mar'18, India exported 98,773 MT of maize at an average FoB of \$234.85/ MT, mainly to Vietnam followed by Nepal and Malaysia mainly through JNPT Sea followed by Tondiapet and Raxaul.

In Naugachia and Gulabghat region of Bihar, maize new crop 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. As per trade source, maize is moving towards Punjab and Haryana at delivered price of Rs. 1500 per quintal.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 0.59% to Rs. 1357 per quintal (weekly average price). Meanwhile starch feed makers quoted it firm by 0.86% to Rs. 1400 per quintal compared to last week average price.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for May contract near 1205 levels for a target of 1195 and 1190 with a stop loss at 1211 on closing basis. In Davangere cash market, prices of maize (loose) are likely to trade at Rs.1150 per quintal for the week.

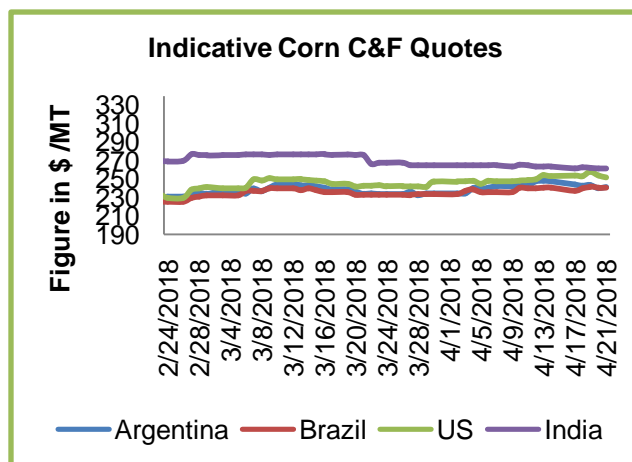
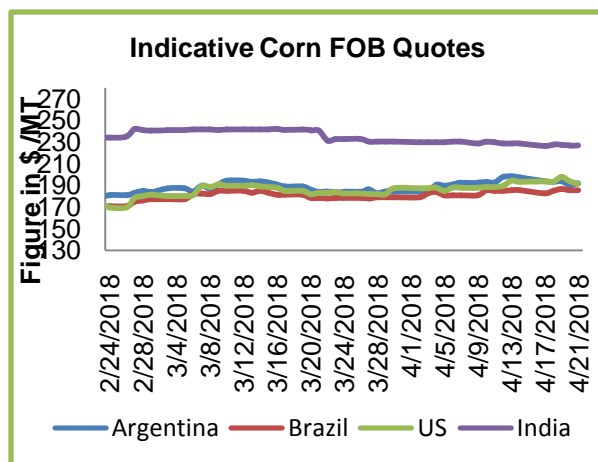
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 1.58 USD/ MT to 150.78 USD/MT for May'18 contract compared to last week.

At 1.59 MMT (for the period 6th April -12th April, 2018) US corn exports were down 17 percent from the previous week, but up 8 percent from the previous 4-week average. The destinations were primarily to Mexico (306,600 MT), Japan (219,400 MT), South Korea (203,100 MT), Colombia (179,300 MT), and Taiwan (151,300 MT).

In U.S, 3% corn has planted as of 15th April, 2018, lower by 3% compared to last year and 2% from last 5 year average period.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.24)				
As on 21.04.2018	Argentina	Brazil	US	India
FOB	191.73	185.40	191.54	226.60
C&F	241.73	240.4	251.54	261.60

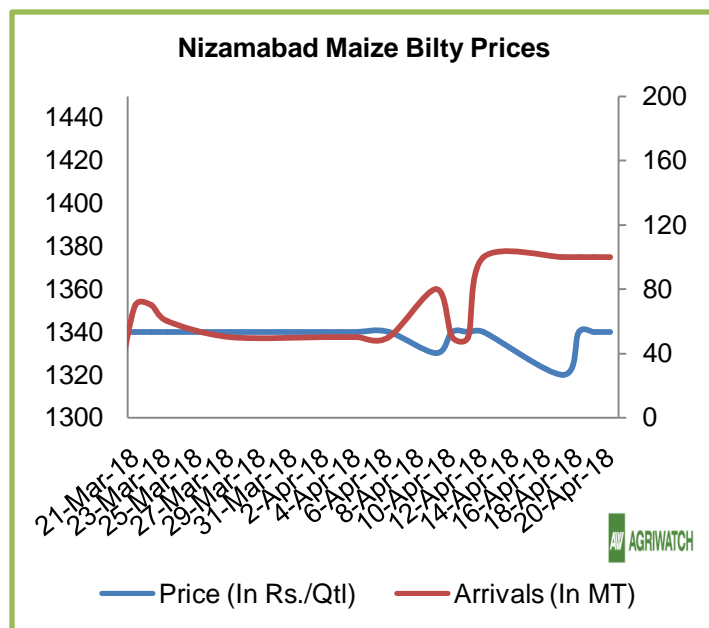
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

CURRENT MARKET DYNAMICS:

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

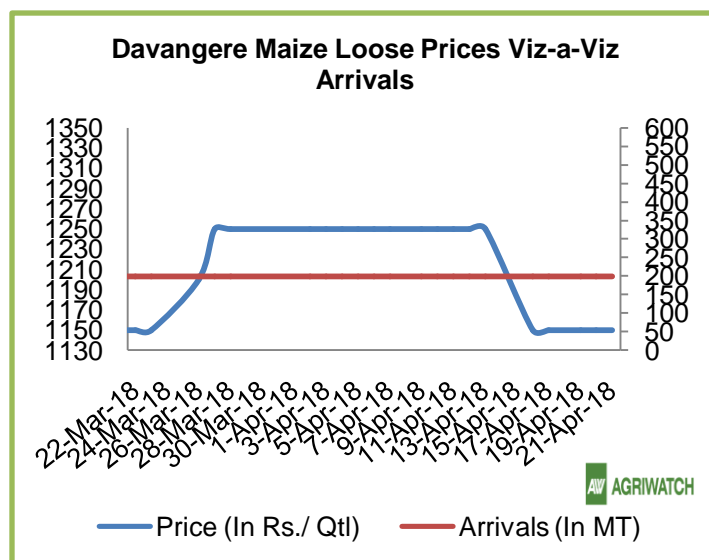
ANDHRA PRADESH:

- Considering the current situation, there is not much risk of drastic fall in prices in A.P 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 Government source, by considering storage constraints, Government of Andhra Pradesh has decided to implement Price Subvention Scheme to extend Marketing Support of Rs.200 per Quintal to Maize and Jowar farmers in Rabi Marketing season, 2017/18. The eligibility quantity for the Marketing Support under the Scheme will be limited to 100 Quintal per farmer or the actual quantity entitled based on production whichever is less. The essence of the scheme is to support the farmer directly by compensating the price difference for a fixed quantity.



KARNATAKA:

- In Davangere, maize is being traded low due to low quality arrival. maize is likely to trade steady to slightly weak in near term amid sluggish demand. In Karnataka, stock of maize could be around 3 lakh quintal which was 3.5 lakh quintals during corresponding period last year.

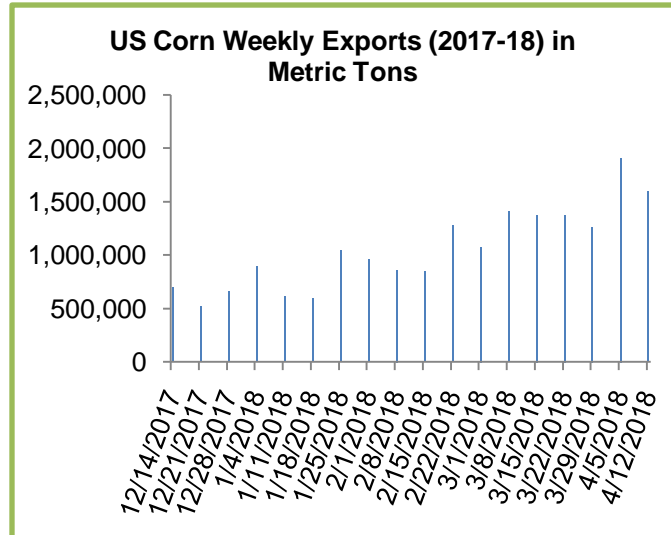


DOMESTIC MAIZE OUTLOOK:

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 27.74 MMT in the 2017-18 marketing year. At 1.59 MMT (for the period 6th April -12th April, 2018) US corn exports were down 17 percent from the previous week, but up 8 percent from the previous 4-week average. The destinations were primarily to Mexico (306,600 MT), Japan (219,400 MT), South Korea (203,100 MT), Colombia (179,300 MT), and Taiwan (151,300 MT).
- In U.S, 3% corn has planted as of 15th April, 2018, lower by 3% compared to last year and 2% from last 5 year average period.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT fall by 1.58 USD/ MT to 150.78 USD/MT for May'18 contract compared to last week.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(May Contract Weekly Chart)

- Candlestick depicts down situation in the market.
- Prices closed above 9 days EMAs.
- RSI is moving down from overbought zone.
- Strategy: Sell near 1205 for target 1195 and 1190 in the near term.

Strategy: Sell
Maize NCDEX (May)

Support & Resistance				
S2	S1	PCP	R1	R2
1170	1188	1205	1218	1232

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1150 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	19-Apr-18	12-Apr-18	19-Mar-18	19-Apr-17	19-Apr-16
Gulabbagh	Bilty	1310	1350	1200	1360	1150
Delhi	Hybrid Maize (U.P.)	1450	1450	1340	1550	1375
Davangere	Loose Price	1150	1250	1150	1520	1360
Shimoga	Bilty	1400	1400	1300	1540	1460
Ranebennur	Bilty	1200	1200	1140	1600	1440
Bagalkot	Hybrid/Local	1176	1150	1100	1497	1411
Gadag	Local	1076	1120	1089	1545	1329
Nizamabad	Bilty	1340	1340	1340	1480	1420
Khanna	Bilty	1600	1535	1400	1600	1610
Sangli	Feed	NA	NA	NA	1558	1520
Ahmadabad	Feed	1360	1355	1350	1525	1500
	Starch	1400	1380	1400	1550	1510

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	18-Apr-18	11-Apr-18	Change
Corn CBOT Prices	May-18	150.78	152.36	-1.58
	July-18	154.23	155.80	-1.57
	Sep-18	157.18	158.56	-1.38
	Dec-18	160.82	162.20	-1.38
	Mar-19	163.77	165.25	-1.48

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