



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to weak during the week and is expected to trade steady to weak in near term too due to new crop arrival pressure and high carry forward stock.

In Naugachia and Gulabghat region of Bihar, new crop arrivals of maize has started to increase and we are expecting that peak crop arrivals could be seen in the near month of May which would weigh on all Indian maize prices. As per trade source, maize is moving towards Punjab and Haryana at Rs. 1500 per quintal; sourced from Naugachia region of Bihar.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 0.59% to Rs. 1365 per quintal (weekly average price). However, starch feed makers quoted it down by 0.50% to Rs. 1393 per quintal compared to last week average price.

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.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for June contract near 1184 levels for a target of 1168 and 1160 with a stop loss at 1193 on closing basis. In Davangere cash market, prices of maize (loose) are likely to trade at Rs.1130-1150 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

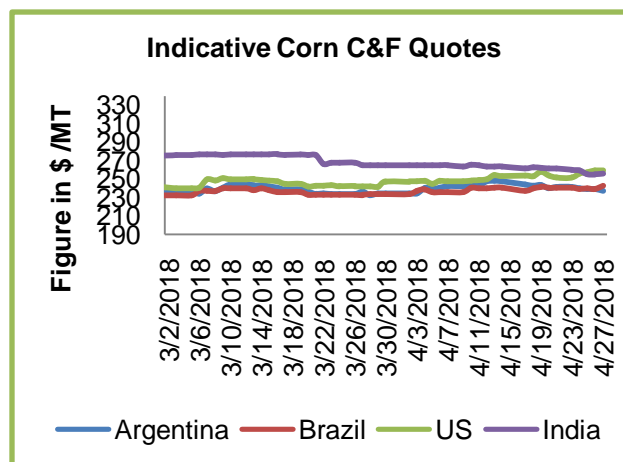
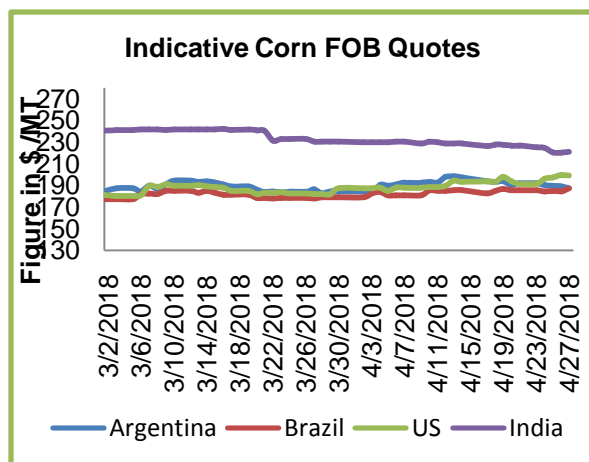
Corn on CBOT rose by 1.38 USD/ MT to 152.16 USD/MT for May'18 contract compared to last week.

At 1.70 MMT (for the period 13th April -19th April, 2018) US corn exports were up 7 percent from the previous week and 11 percent from the previous 4-week average.

IGC increased its global corn production forecast by 2 MMT to 1054 MMT compared to previous forecast for 2018/19.

In U.S, 5% corn has planted as of 22nd April, 2018, lower by 10% compared to last year and 9% from last 5 year average period.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.78)				
As on 27.04.2018	Argentina	Brazil	US	India
FOB	187.40	187.50	199.21	220.97
C&F	237.40	242.50	259.21	255.97

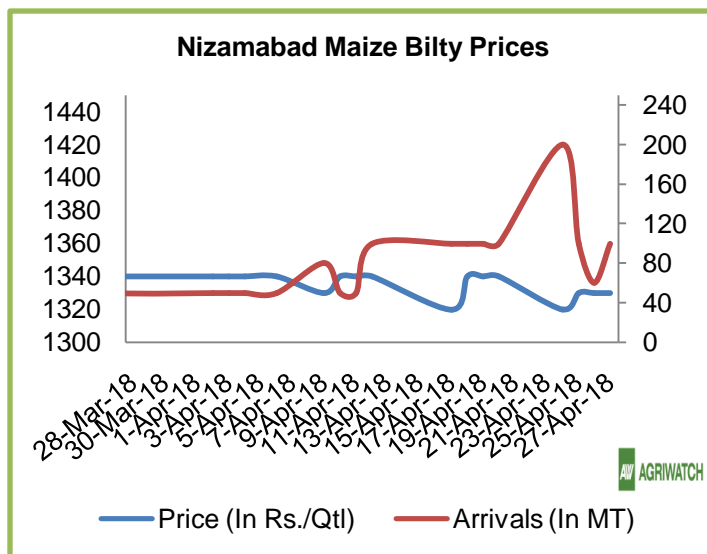
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

CURRENT MARKET DYNAMICS:

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

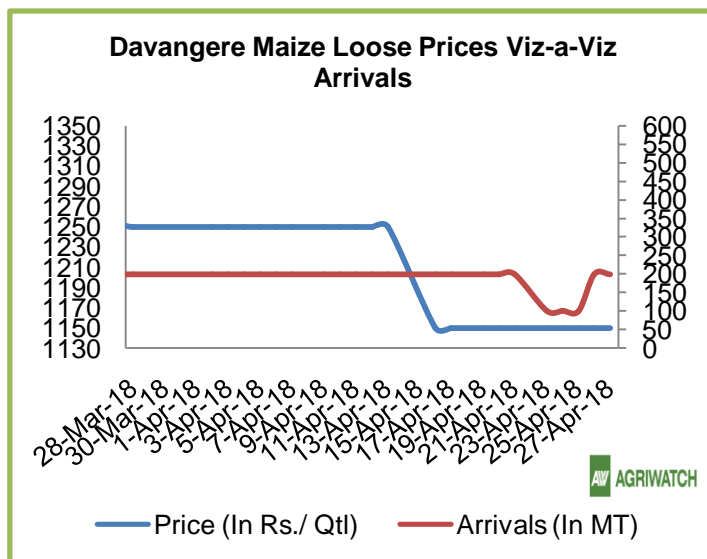
ANDHRA PRADESH:

- Considering the current situation, there is not much risk of drastic fall in prices in A.P 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.



KARNATAKA:

- In Davangere, maize is likely to trade steady to slightly weak in near term as there is concern of quality of old stock. In Karnataka, stock of maize could be around 2 lakh quintal which was 3 lakh quintals during corresponding period last year. As per trade source, maize is moving towards Bangalore at Rs. 1280-1310 per quintal, Nammakal at Rs. 1330-1380 per quintal, Sangali at Rs. 1225 per quintal and Chennai at Rs. 1380 per quintal; sourced from Davangere.

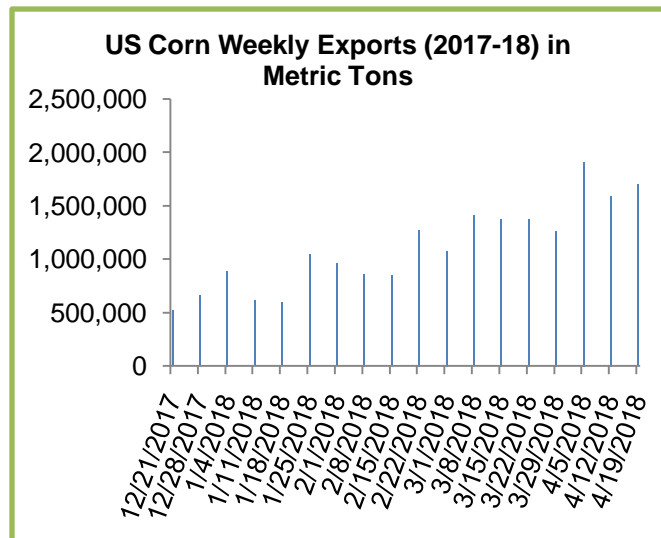


DOMESTIC MAIZE OUTLOOK:

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 29.44 MMT in the 2017-18 marketing year. At 1.70 MMT (for the period 13th April -19th April, 2018) US corn exports were up 7 percent from the previous week and 11 percent from the previous 4-week average. The destinations were primarily to Mexico (335,900 MT), South Korea (273,300 MT), Colombia (254,300 MT), Japan (178,900 MT), and Vietnam (139,100 MT).
- IGC increased its global corn production forecast by 2 MMT to 1054 MMT compared to previous forecast for 2018/19.
- In U.S, 5% corn has planted as of 22nd April, 2018, lower by 10% compared to last year and 9% from last 5 year average period.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT rose by 1.38 USD/ MT to 152.16 USD/MT for May'18 contract compared to last week on the concern over delayed start to planting across much of the U.S. Midwest.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(Jun Contract Weekly Chart)

- Candlestick depicts down situation in the market.
- Prices closed below 9 days EMAs.
- RSI is moving down in neutral zone.
- Decrease in prices with higher volume and OI indicates short build up.
- Strategy: Sell near 1184 for target 1168 and 1160 in the near term.

Strategy: Sell
Maize NCDEX (Jun)

Support & Resistance				
S2	S1	PCP	R1	R2
1132	1156	1179	1216	1254

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1130-1150 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	26-Apr-18	19-Apr-18	26-Mar-18	26-Apr-17	26-Apr-16
Gulabbagh	Bilty	1180	1310	1350	1350	1160
Delhi	Hybrid Maize (U.P.)	1450	1450	1400	1500	1375
Davangere	Loose Price	1150	1150	1200	1630	1400
Shimoga	Bilty	1340	1420	1330	1560	1400
Ranebennur	Bilty	1150	1160	1130	1590	1450
Bagalkot	Hybrid/Local	1175	1165	1130	1496	1431
Gadag	Local	1110	1028	1039	1532	1410
Nizamabad	Bilty	1330	1340	Closed	Closed	1430
Khanna	Bilty	1590	1600	1310	1610	1465
Sangli	Feed	NA	NA	NA	1600	1540
Ahmadabad	Feed	1350	1360	1320	1550	1530
	Starch	1380	1400	1370	1570	1550

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	25-Apr-18	18-Apr-18	Change
Corn CBOT Prices	May-18	152.16	150.78	1.38
	July-18	155.80	154.23	1.57
	Sep-18	158.65	157.18	1.47
	Dec-18	162.30	160.82	1.48
	Mar-19	165.35	163.77	1.58

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