



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 during the 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 while U.P at Rs. 1425 per quintal; sourced from Naugachia region of Bihar.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 1.98% to Rs. 1338 per quintal (weekly average price). However, starch feed makers quoted it down by 0.07% to Rs. 1393 per quintal compared to last week average price.

As per trade source, 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 Tondiarpet and Raxaul.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for June contract near 1177 levels for a target of 1171 and 1168 with a stop loss at 1180 on closing basis. In Davangere cash market, prices of maize (loose) are likely to trade at Rs.1130-1150 per quintal for the week.

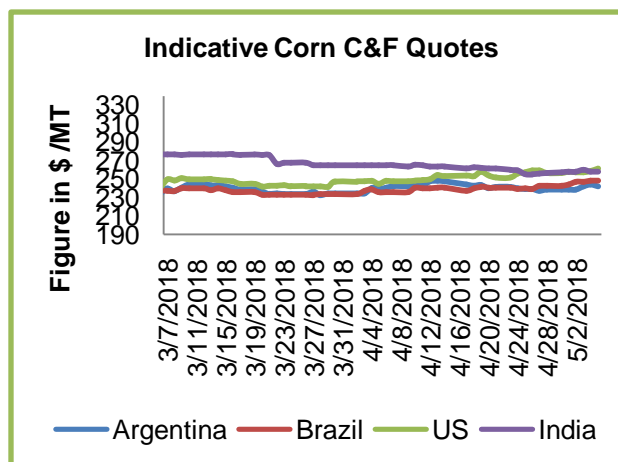
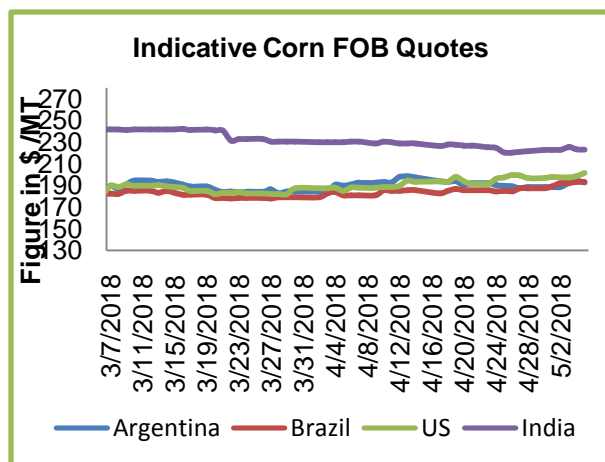
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 5.12 USD/ MT to 155.90 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. Besides, dry weather conditions in Brazil also support CBOT market to gain.

At 1.47 MMT (for the period 20th April -26th April, 2018) US corn exports were down 13 percent from the previous week and 9 percent from the previous 4-week average.

In U.S, 17% corn has been planted as of 29th April, 2018, lower by 15% compared to last year and 10% from last 5 year average period.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.83)				
As on 05.05.2018	Argentina	Brazil	US	India
FOB	192.42	193.10	201.30	223.08
C&F	242.42	248.10	261.30	258.08

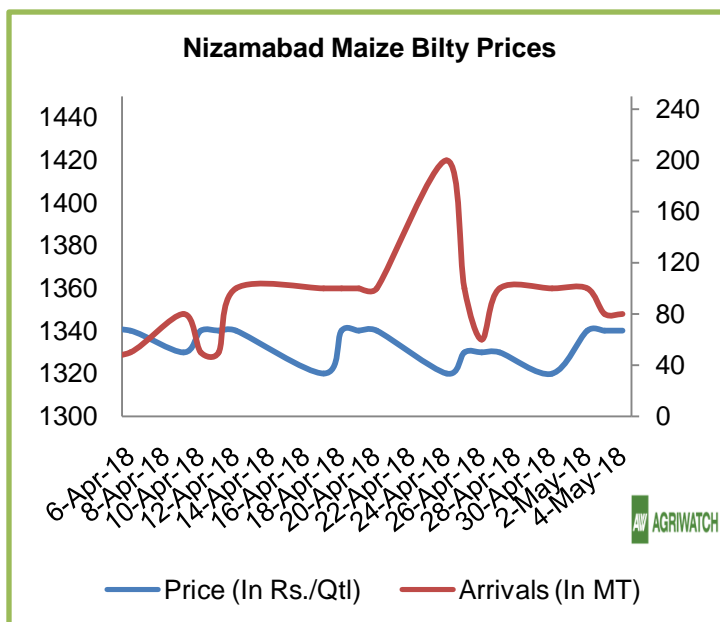
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

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:

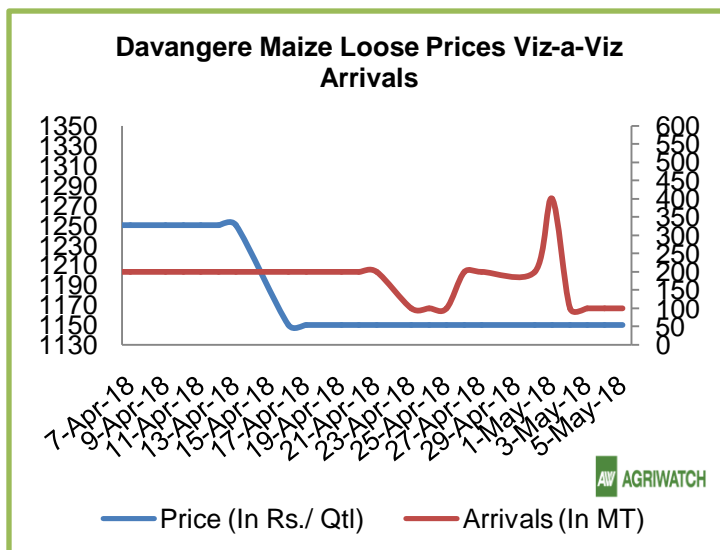
ANDHRA PRADESH:

- 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. In Nizamabad too, despite new crop arrivals maize could trade steady to range bound as at the lower level, stockists demand could limit the market from fall. As per trade sources, in Nizamabad, stock of maize in the Govt. warehouses could be around 30,000 MT while private traders could have 5,000 MT stock of maize which is same during corresponding period of last year.



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. 1310 per quintal, Nammakal at Rs. 1380 per quintal, Sangali at Rs. 1275 per quintal and Chennai at Rs. 1380 per quintal; sourced from Davangere.

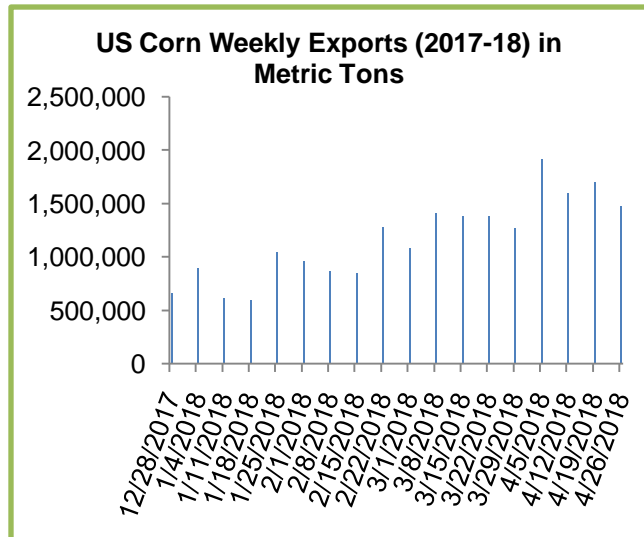


DOMESTIC MAIZE OUTLOOK:

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 30.91 MMT in the 2017-18 marketing year. At 1.47 MMT (for the period 20th April -26th April, 2018) US corn exports were down 13 percent from the previous week and 9 percent from the previous 4-week average. The destinations were primarily to Mexico (364,900 MT), Japan (293,600 MT), Colombia (149,600 MT), South Korea (127,400 MT), and Spain (71,500 MT).
- In U.S, 17% corn has been planted as of 29th April, 2018, lower by 15% compared to last year and 10% from last 5 year average period. Corn has emerged 3% as of 29th April, 2018, lower by 5% compared to last year and 3% from last 5 year average period.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 5.12 USD/ MT to 155.90 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. Besides, dry weather conditions in Brazil also support CBOT market to gain.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(Jun Contract Weekly Chart)

- Candlestick depicts indecision situation in the market.
- Prices closed below 9 days EMAs.
- RSI is moving down in neutral zone.
- Decrease in prices with higher OI indicates short build up.
- Strategy: Sell near 1177 for target 1171 and 1168 in the near term.

Strategy: Sell
Maize NCDEX (Jun)

Support & Resistance				
S2	S1	PCP	R1	R2
1159	1166	1174	1185	1196

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	3-May-18	26-Apr-18	3-Apr-18	3-May-17	3-May-16
Gulabbagh	Bilty	1200	1180	1350	1290	1180
Delhi	Hybrid Maize (U.P.)	1410	1450	1400	1480	1425
Davangere	Loose Price	1150	1150	1250	1630	1400
Shimoga	Bilty	1180	1340	1380	1700	1410
Ranebennur	Bilty	1160	1160	1200	1590	1420
Bagalkot	Hybrid/Local	1172	1176	1141	1529	1450
Gadag	Local	NA	1141	1141	1554	1259
Nizamabad	Bilty	1340	1330	1340	1500	1440
Khanna	Bilty	1490	1590	1530	1600	1465
Sangli	Feed	NA	NA	NA	1600	1560
Ahmadabad	Feed	1330	1350	1325	1525	1490
	Starch	1390	1380	1375	1540	1500

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	2-May-18	25-Apr-18	Change
Corn CBOT Prices	May-18	155.90	150.78	5.12
	July-18	159.44	154.23	5.21
	Sep-18	162.49	157.18	5.31
	Dec-18	165.25	160.82	4.43
	Mar-19	168.30	163.77	4.53

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