

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. However, in Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 1.87% to Rs. 1363 per quintal (weekly average price). While, starch feed makers quoted it firm by 3.88% to Rs. 1447 per quintal compared to last week average price.

Presently there is not much risk of drastic fall in prices in A.P as maize is already trading at the lower level due to new crop arrival pressure which could see till the mid of June. However, in Nizamabad, new crop arrival pressure has reduced and maize is likely to trade steady to range bound amid local feed makers demand. As per trade source, in Nizamabad, poultry feed makers are buying maize at Rs. 1350 per quintal while starch feed makers are buying low quality of maize at Rs. 1270 per quintal.

In Bihar too, we think maize is trading at the lower end and these are the levels at which stockists demand could be possible. As per trade sources, maize is moving towards Punjab and Haryana at Rs. 1400 per quintal and to U.P at Rs. 1250 per quintal; sourced from Naugachia region of Bihar.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for June contract near 1174 levels for a target of 1166 and 1162 with a stop loss at 1178 on closing basis. In Davangere cash market, prices of maize (loose) are likely to trade at Rs.1130-1150 per quintal for the week.

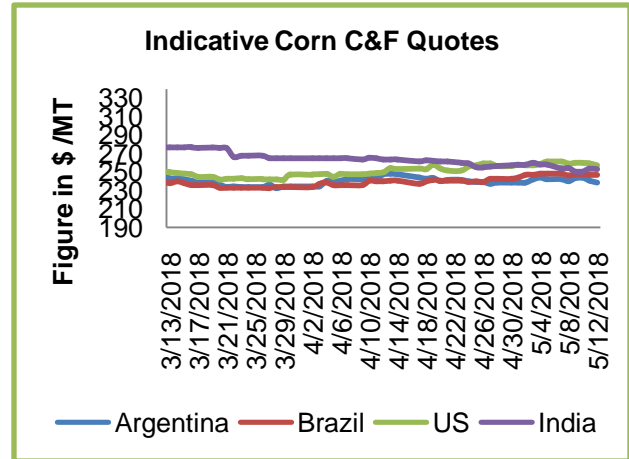
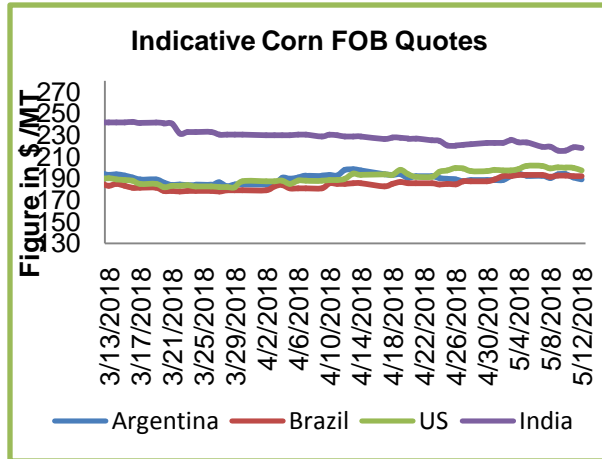
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 0.49 USD/ MT to 155.41 USD/MT for May'18 contract compared to last week. However, it is likely to trade firm in near term due to reduction in global corn ending stock estimates amid increase in demand for U.S corn. Also, low planting in U.S could also support to CBOT corn market.

At 1.78 MMT (for the period 27th April -03rd May, 2018) US corn exports were up 21 percent from the previous week and 8 percent from the previous 4-week average.

In U.S, 39% corn has been planted as of 6th May, 2018, lower by 6% compared to last year and 5% from last 5 year average period.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.39)				
As on 12.05.2018	Argentina	Brazil	US	India
FOB	188.88	192.00	197.40	217.98
C&F	238.88	247.00	257.40	252.98

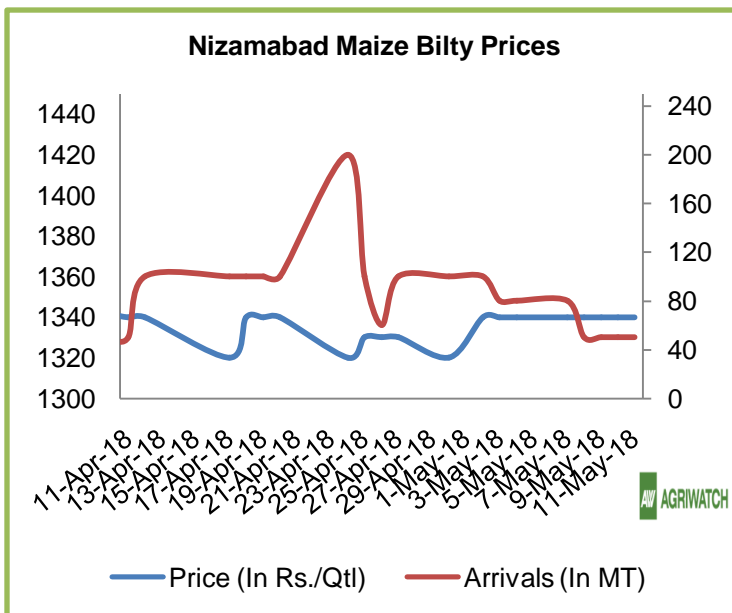
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

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:

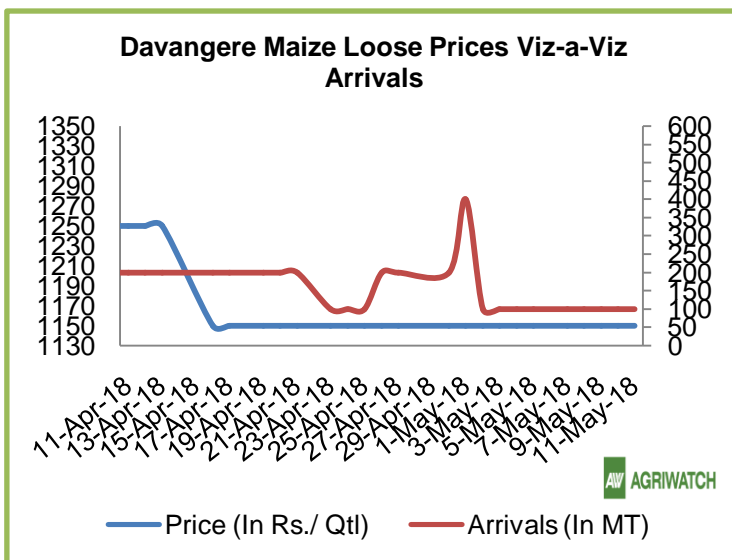
ANDHRA PRADESH:

- Presently there is not much risk of drastic fall in prices in A.P as maize is already trading at the lower level due to new crop arrival pressure which could see till the mid of June. However, in Nizamabad, new crop arrival pressure has reduced and maize is likely to trade steady to range bound amid local feed makers demand. As per trade source, in Nizamabad, poultry feed makers are buying maize at Rs. 1350 per quintal while starch feed makers are buying low quality of maize at Rs. 1270 per quintal.



KARNATAKA:

- In Davangere, maize market will be closed till Tuesday and is likely to trade steady to slightly weak due to sluggish demand as there is quality concern. In Karnataka, stock of maize could be around 2 lakh quintal compared to 3 lakh quintals during corresponding period last year. As per trade sources, maize from Davangere region is moving to 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.

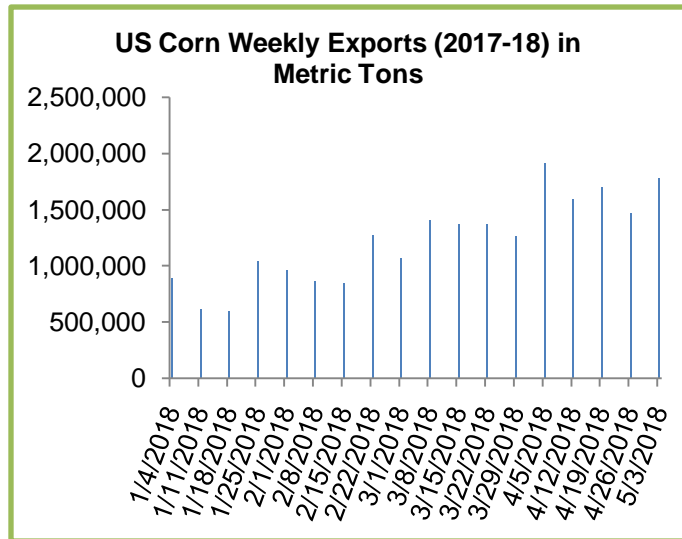


DOMESTIC MAIZE OUTLOOK:

Standard quality maize prices are likely to be steady to range bound in near term amid new crop arrival pressure and high carry forward stock.

INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 32.63 MMT in the 2017-18 marketing year. At 1.78 MMT (for the period 27th April -03rd May, 2018) US corn exports were up 21 percent from the previous week and 8 percent from the previous 4-week average. The destinations were primarily to Mexico (337,800 MT), Vietnam (266,500 MT), Japan (187,300 MT), South Korea (137,300 MT), and Taiwan (109,200 MT).
- USDA decreased its global corn ending stocks estimates by 35.70 MMT to 159.15 MMT for 2018/19 compared to last year due to increase in domestic consumption estimates by 22.69 MMT to 1086.75 MMT for 2018/19 compared to last year.
- In U.S, 39% corn has been planted as of 6th May, 2018, lower by 6% compared to last year and 5% from last 5 year average period. Corn has emerged 8% as of 6th May, 2018, lower by 6% compared to last year and last 5 year average period.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 0.49 USD/ MT to 155.41 USD/MT for May'18 contract compared to last week. However, it is likely to trade firm in near term due to reduction in global corn ending stock estimates amid increase in demand for U.S corn. Also, low planting in U.S could also support to CBOT corn market.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(Jun Contract Weekly Chart)

- Doji candlestick depicts indecision situation in the market.
- Prices closed below 9 days EMAs.
- RSI is moving down in neutral zone indicates prices may go down.
- Decrease in prices with higher volume and OI indicates short build up.
- Strategy: Sell near 1174 for target 1166 and 1162 in the near term.

Strategy: Sell
Maize NCDEX (Jun)

Support & Resistance				
S2	S1	PCP	R1	R2
1154	1161	1171	1182	1194

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	10-May-18	3-May-18	10-Apr-18	10-May-17	10-May-16
Gulabghagh	Bilty	1180	1200	1350	1250	1210
Delhi	Hybrid Maize (U.P.)	1340	1410	1450	1470	1470
Davangere	Loose Price	1150	1150	1250	1580	1380
Shimoga	Bilty	1340	1340	1380	1600	1550
Ranebennur	Bilty	1200	1200	1195	1595	1450
Bagalkot	Hybrid/Local	1166	1172	1166	1530	1482
Gadag	Local	1185	NA	1046	1550	1470
Nizamabad	Bilty	1340	1340	1340	1500	1450
Khanna	Bilty	1400	1490	1530	1580	1475
Sangli	Feed	NA	NA	NA	1590	1590
Ahmadabad	Feed	1360	1330	1350	1510	1525
	Starch	1390	1390	1385	1540	1500

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	9-May-18	2-May-18	Change
Corn CBOT Prices	May-18	155.41	155.9	-0.49
	July-18	158.56	159.44	-0.88
	Sep-18	161.8	162.49	-0.69
	Dec-18	165.15	165.25	-0.10
	Mar-19	168.5	168.3	0.20

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