

Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ Export Parity Trend
- ❖ Export Break Up By Major Countries
- ❖ Business from various sourcing centers during the season till date
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Futures Market Analysis: NCDEX MAIZE
- ❖ Davangere Market Analysis
- ❖ Annexure

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to range bound during the week. In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 0.73% to Rs. 1353 per quintal (weekly average price). While, starch feed makers quoted it down by 4.49% to Rs. 1382 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 continue till the mid of June. However, in Nizamabad, new crop arrival pressure has reduced and maize is likely to trade steady to range bound in near term. As per trade sources, in Nizamabad, poultry feed makers demand for maize has slightly reduced while starch feed makers are buying constantly.

In Bihar too, maize is trading at the lower end and these are the levels at which stockists demand could emerge. As per trade sources, maize sourced from Naugachia region of Bihar is moving to Punjab and Haryana at Rs. 1400 per quintal and to U.P at Rs. 1300 per quintal.

Maize kharif and rabi production estimate has been pegged at 26.88 MMT for 2017-18, in the third advance estimate released on 16th May-2018, by Department of Agriculture, Cooperation and Farmers welfare; lower than second advance estimates of 27.14 MMT. Kharif maize production has been pegged at 19.81 MMT against target of 19.00 MMT while rabi production has been pegged at 7.07 MMT against target of 7.00 MMT. For 2016-17, final production kharif and rabi has been pegged at 25.9 MMT.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for June contract near 1172 levels for a target of 1166 and 1163 with a stop loss at 1175 on closing basis. In Davangere cash market, prices of maize (loose) are likely to trade at Rs.1170-1200 per quintal for the week.

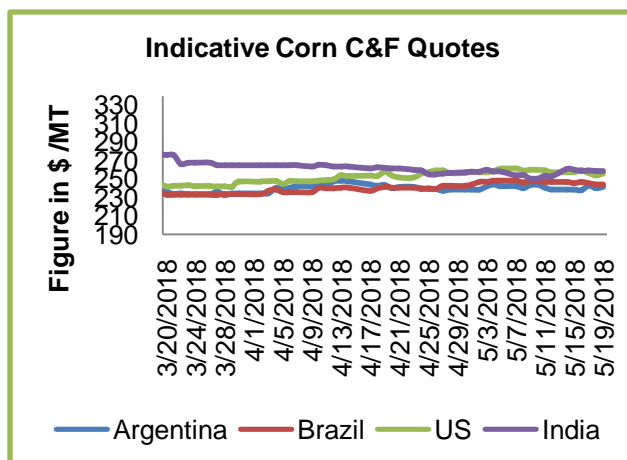
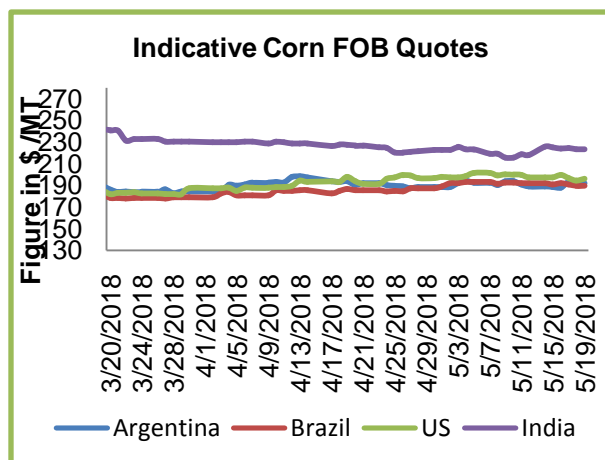
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 5.02 USD/ MT to 158.46 USD/MT for July'18 contract compared to last week and is likely to trade firm in near term too 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 CBOT corn market.

At 1.56 MMT (for the period 4th May -10th May, 2018) US corn exports were down 12 percent from the previous week and 4 percent from the previous 4-week average.

In U.S, 62% corn has been planted as of 13th May, 2018, lower by 6% compared to last year and 1% from last 5 year average period.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 68.00)				
As on 19.05.2018	Argentina	Brazil	US	India
FOB	191.73	189.40	195.9	223.46
C&F	241.73	244.40	255.90	258.46

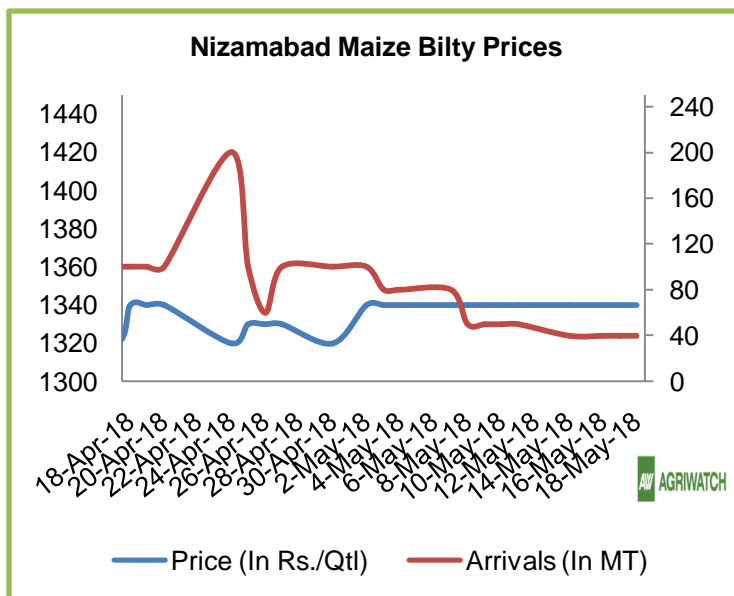
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

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:

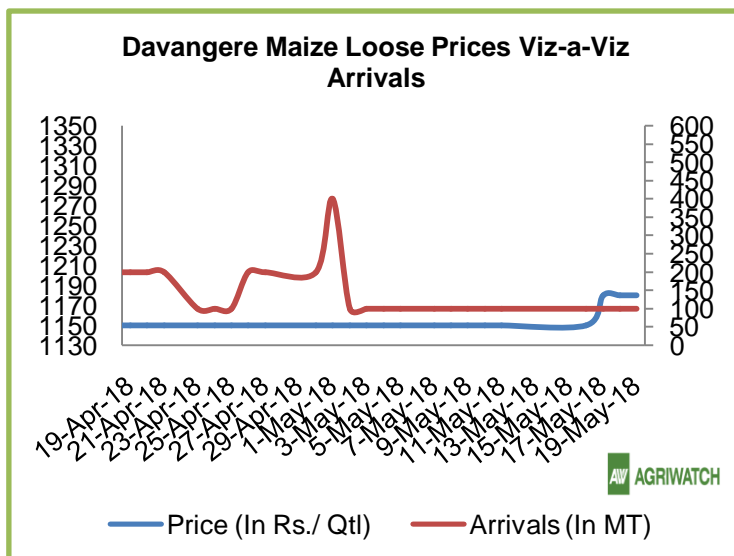
ANDHRA PRADESH:

- 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 continue till the mid of June. However, in Nizamabad, new crop arrival pressure has reduced and maize is likely to trade steady to range bound in near term. As per trade sources, in Nizamabad, poultry feed makers demand for maize has slightly reduced while starch feed makers are buying constantly.



KARNATAKA:

- In Davangere, maize is likely to trade steady to slightly firm in near term amid fresh demand. 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. 1360 per quintal, Nammakal and Chennai at Rs. 1420 per quintal each.

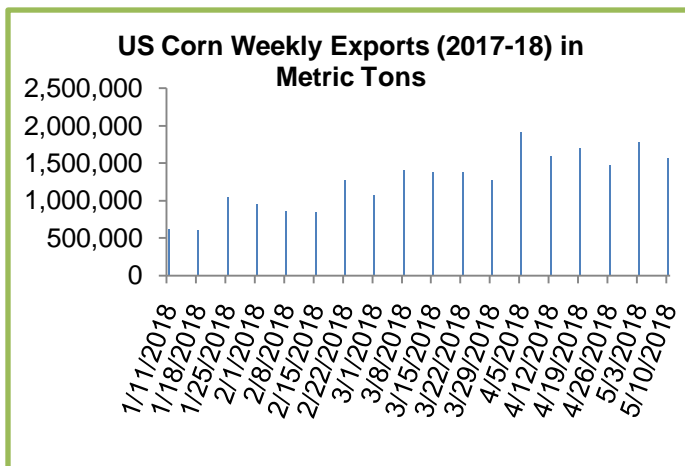


DOMESTIC MAIZE OUTLOOK:

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

INTERNATIONALSMARKET:HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 34.19 MMT in the 2017-18 marketing year. At 1.56 MMT (for the period 4th May -10th May, 2018) US corn exports were down 12 percent from the previous week and 4 percent from the previous 4-week average. The destinations were primarily to Mexico (364,900 MT), Japan (318,000 MT), Taiwan (162,300 MT), Vietnam (120,600 MT), and Colombia (80,800 MT).



- In U.S, 62% corn has been planted as of 13th May, 2018, lower by 6% compared to last year and 1% from last 5 year average period. Corn has emerged 28% as of 13th May, 2018, lower by 1% compared to last year but higher by 1% from last 5 year average period.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 5.02 USD/ MT to 158.46 USD/MT for July'18 contract compared to last week and is likely to trade firm in near term too 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 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.
- Strategy: Sell near 1172 for target 1166 and 1163 in the near term.

Strategy: Sell
Maize NCDEX (Jun)

Support & Resistance				
S2	S1	PCP	R1	R2
1157	1163	1170	1178	1186

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1170-1200 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	17-May-18	10-May-18	17-Apr-18	17-May-17	17-May-16
Gulabghagh	Bilty	1150	1180	1310	1270	1275
Delhi	Hybrid Maize (U.P.)	1310	1340	1450	1440	1450
Davangere	Loose Price	1180	1150	1150	1660	1380
Shimoga	Bilty	1360	1360	1420	1540	1600
Ranebennur	Bilty	1130	1200	1140	1600	1490
Bagalkot	Hybrid/Local	1239	1166	1176	1530	1490
Gadag	Local	1165	1185	1089	1550	1324
Nizamabad	Bilty	1340	1340	1320	1510	1500
Khanna	Bilty	1375	1400	1620	1530	1475
Sangli	Feed	NA	NA	NA	1580	1600
Ahmadabad	Feed	1360	1360	1360	1450	1550
	Starch	1380	1390	1400	1520	1550

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	18-May-18	11-May-18	Change
Corn CBOT Prices	May-18	158.46	153.44	5.02
	July-18	161.80	156.10	5.70
	Sep-18	165.45	159.44	6.01
	Dec-18	168.59	163.18	5.41
	Mar-19	170.37	166.63	3.74

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>

© 2018 Indian Agribusiness Systems Ltd.