

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to firm during the week and is expected to trade slightly firm in the near term too as new crop arrival pressure has reduced. Feed makers demand is also likely to support the market. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 1.63% to Rs. 1375 per quintal (weekly average price). While, starch feed makers quoted it firm by 1.81% to Rs. 1407 per quintal compared to last week average price.

In A.P, maize is likely to trade steady to slightly firm as new crop arrival pressure is reducing. Besides, demand of Stockists and industrial users for maize could support the market to gain. While, in Nizamabad, new crop arrival pressure has reduced and maize is likely to trade firm in near term amid feed makers demand.

In Bihar too, maize is likely to trade firm amid stockists demand. As per trade sources, maize sourced from Naugachia region of Bihar is moving to Punjab and Haryana at Rs. 1500 per quintal and to U.P at Rs. 1400 per quintal.

In Davangere, maize is likely to trade steady to slightly firm in near term. However, firmness depends upon the demand of feed makers of Tamilnadu. There are chances that demand of Tamilnadu feed makers could shift towards Bihar as quality of maize in and around Davangere regions is not good. As per trade sources, maize from Davangere region is moving to Bangalore at Rs. 1380-1420 per quintal, Nammakal and Chennai at Rs. 1420-1450 per quintal each.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for June contract near 1191 levels for a target of 1205 and 1212 with a stop loss at 1183 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1250-1280 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

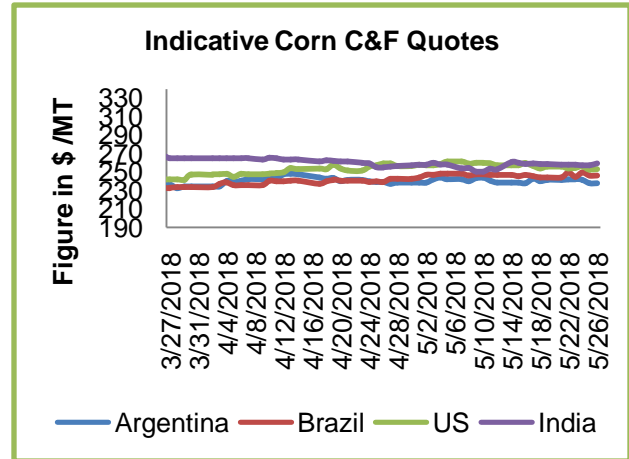
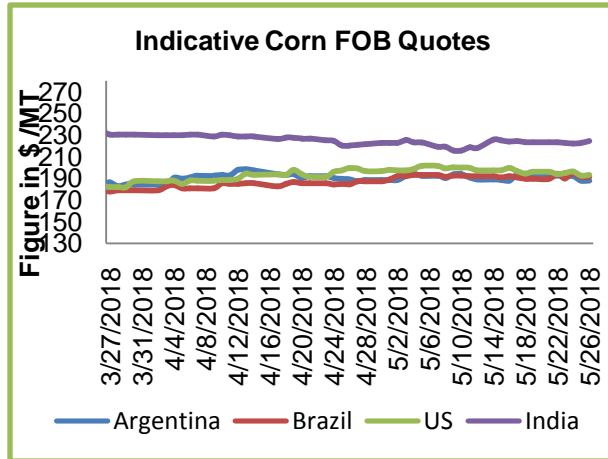
Corn on CBOT rose by 2.36 USD/ MT to 160.82 USD/MT for July'18 contract compared to last week and is likely to trade firm in near term too due to reduction in global corn ending stock estimates.

IGC increased its global corn production forecast by 1 MMT to 1055 MMT compared to previous forecast for 2018/19. But, forecast for global corn ending stock was decreased by 5 MMT to 257 MMT compared to last forecast for 2018/19.

At 1.47 MMT (for the period 11th May -17th May, 2018) US corn exports were down 6 percent from the previous week and 9 percent from the prior 4-week average.

In U.S, 81% corn has been planted as of 20th May, 2018, lower by 1% compared to last year but same from last 5 year average period.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.73)				
As on 26.05.2018	Argentina	Brazil	US	India
FOB	187.89	191.1	193.31	224.35
C&F	237.89	246.10	253.31	259.35

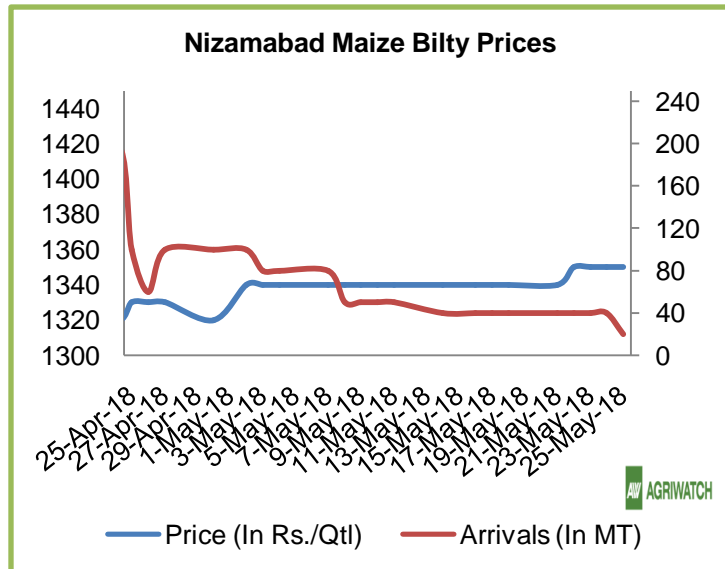
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

CURRENT MARKET DYNAMICS:

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

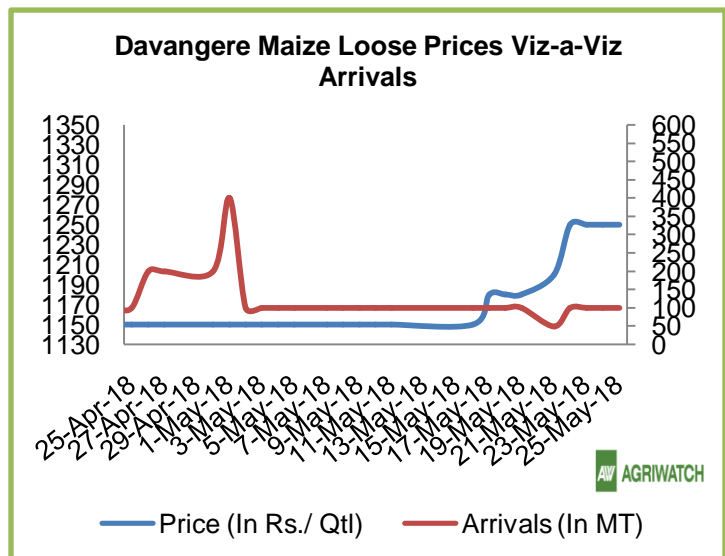
ANDHRA PRADESH:

- In A.P, maize is likely to trade steady to slightly firm as new crop arrival pressure is reducing. Besides, demand of Stockists and industrial users for maize could support the market to gain. While, in Nizamabad, new crop arrival pressure has reduced and maize is likely to trade firm in near term amid feed makers demand. Poultry feed makers are buying maize at Rs. 1325-1350 per quintal while starch feed makers are buying at Rs. 1275 per quintal. As per trade sources, in Nizamabad, stock of maize could be around 5000 MT which was 7000 MT during corresponding period last year.



KARNATAKA:

- In Davangere, maize is likely to trade steady to slightly firm in near term. However, firmness depends upon the demand of feed makers of Tamilnadu. There are chances that demand of Tamilnadu feed makers could shift towards Bihar as quality of maize in and around Davangere regions is not good. As per trade sources, maize from Davangere region is moving to Bangalore at Rs. 1380-1420per quintal, Nammakal and Chennai at Rs. 1420-1450 per quintal each.

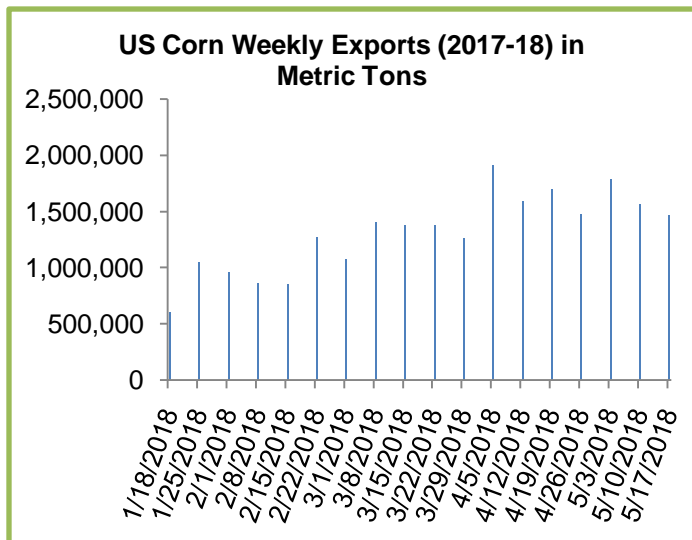


DOMESTIC MAIZE OUTLOOK:

Prices of standard quality maize are likely to be steady to slightly firm due to feed makers demand. As new crop arrival pressure has reduced which could support the market to gain.

INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 35.66 MMT in the 2017-18 marketing year. At 1.47 MMT (for the period 11th May -17th May, 2018) US corn exports were down 6 percent from the previous week and 9 percent from the prior 4-week average. The destinations were primarily to Mexico (371,700 MT), South Kora (286,900 MT), Japan (172,300 MT), Egypt (116,600 MT), and China (72,200 MT).
- In U.S, 81% corn has been planted as of 20th May, 2018, lower by 1% compared to last year but same from last 5 year average period. Corn has emerged 50% as of 20th May, 2018, lower by 1% compared to last year but higher by 3% from last 5 year average period.
- IGC increased its global corn production forecast by 1 MMT to 1055 MMT compared to previous forecast for 2018/19. But, forecast for global corn ending stock was decreased by 5 MMT to 257 MMT compared to last forecast for 2018/19.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 2.36 USD/ MT to 160.82 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.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(Jun Contract Weekly Chart)

- Candlestick depicts gain in the market.
- Prices closed above 9 days EMAs.
- Increase in prices with higher volume and OI indicates long build up.
- However, RSI is moving down in neutral zone indicates prices may go down.
- Strategy: Buy near 1191 for target 1205 and 1212 in the near term.

Strategy: Sell
Maize NCDEX (Jun)

Support & Resistance				
S2	S1	PCP	R1	R2
1156	1178	1201	1220	1240

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1250-1280 per quintal for the week.

**ANNEXURE
MAIZE SPOT MARKET PRICES (RS. /QUINTAL)**

Market	Grade	24-May-18	17-May-18	24-Apr-18	24-May-17	24-May-16
Gulabbagh	Bilty	1150	1150	1220	1250	1310
Delhi	Hybrid Maize (U.P.)	1310	1310	1450	1425	1460
Davangere	Loose Price	1250	1180	1150	1660	1450
Shimoga	Bilty	1370	1350	1340	1580	1600
Ranebennur	Bilty	1300	1270	1150	1600	1520
Bagalkot	Hybrid/Local	1301	1239	1140	1535	1510
Gadag	Local	1250	1165	1129	1532	1252
Nizamabad	Bilty	1350	1340	1320	1520	1520
Khanna	Bilty	1350	1375	1600	1500	1500
Sangli	Feed	NA	NA	NA	1585	1630
Ahmadabad	Feed	1380	1360	1370	1480	1550
	Starch	1415	1380	1400	1500	1570

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	23-May-18	18-May-18	Change
Corn CBOT Prices	May-18	160.82	158.46	2.36
	July-18	164.26	161.80	2.46
	Sep-18	167.91	165.45	2.46
	Dec-18	170.96	168.59	2.37
	Mar-19	172.63	170.37	2.26

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