

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 in Bihar and A.P has reduced. Feed makers demand is also likely to support the market. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 2% to Rs. 1454 per quintal (weekly average price). While, starch feed makers quoted it firm by 0.28% to Rs. 1412 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. In Bihar, maize is likely to trade steady as demand from Punjab and U.P is likely to reduce on the expectation of new crop arrival from first week of July. New arrivals continued from Gulabghat and Purnia to the spot market. In Davangere, maize is likely to trade steady as demand of feed makers of Tamilnadu has shifted towards Bihar as quality of maize in and around Davangere regions is not good.

KHARIF SOWING COVERAGE:

In India, Kharif maize has been sown in around 3.45 lakh hectares as of 8 June 2018 which is lower than 3.00 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 0.82 lakh hectare compared to 0.62 lakh hectare same time last year. As per trade estimates, farmers in Karnataka will not shift to other crops despite low price realisation due to labour shortage.

RECOMMENDATION:

Weekly Call - : Market participants are advised to sell below 1190 for target 1175 and 1170 in the near term with a stop loss at 1200 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1250-1280 per quintal for the week.

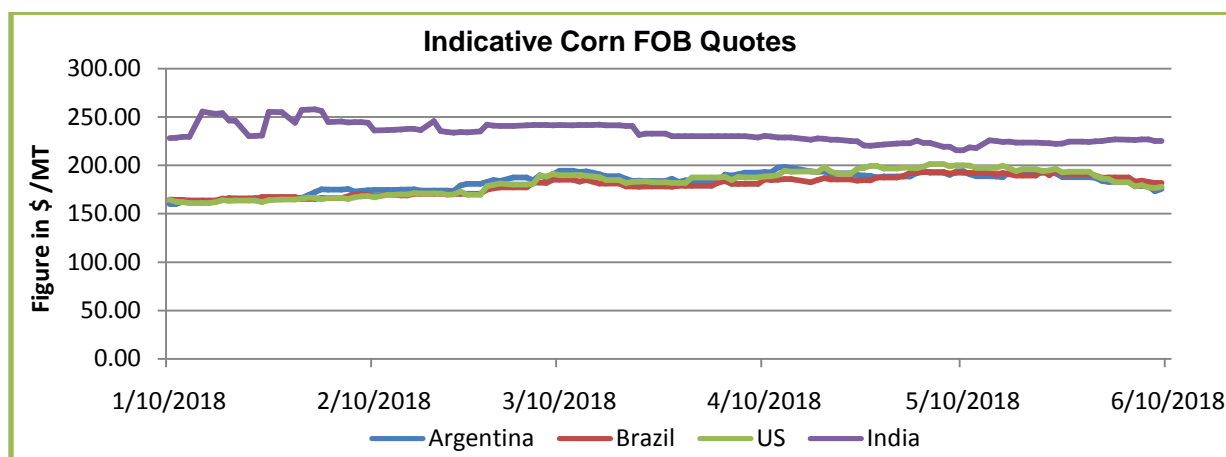
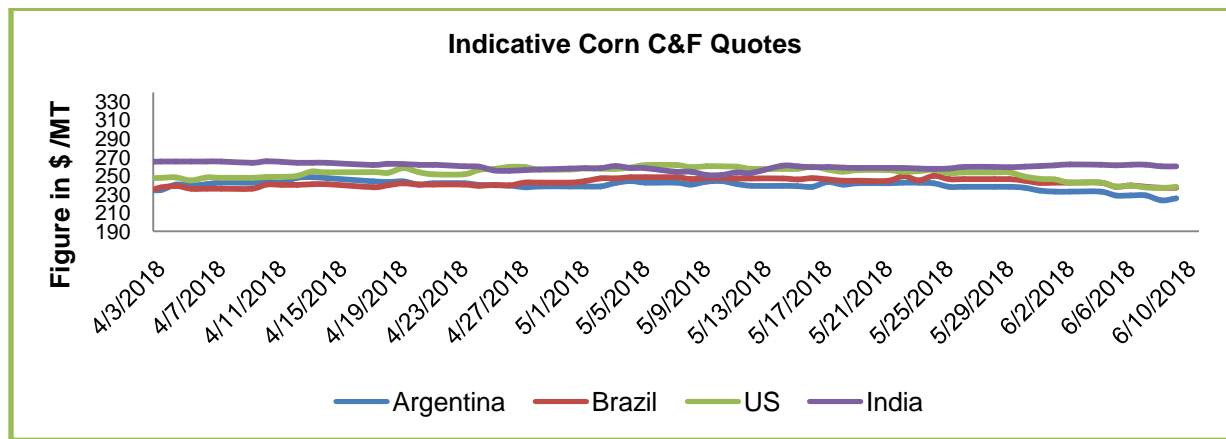
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 6.20 USD/ MT to 148.71 USD/MT for July'18 contract compared to last week due to higher than expected corn planting in U.S

At 1.45 MMT (for the period 25th May -31st May, 2018) US corn exports were down 24 percent from the previous week and 14 percent from the prior 4-week average.

In U.S, 97% corn has been planted as of 03rd June, 2018, higher by 2% compared to last year and last 5 year average period.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.53)				
As on 9.06.2018	Argentina	Brazil	US	India
FOB	175.49	181.80	177.90	225.01
C&F	225.49	236.80	237.90	260.01

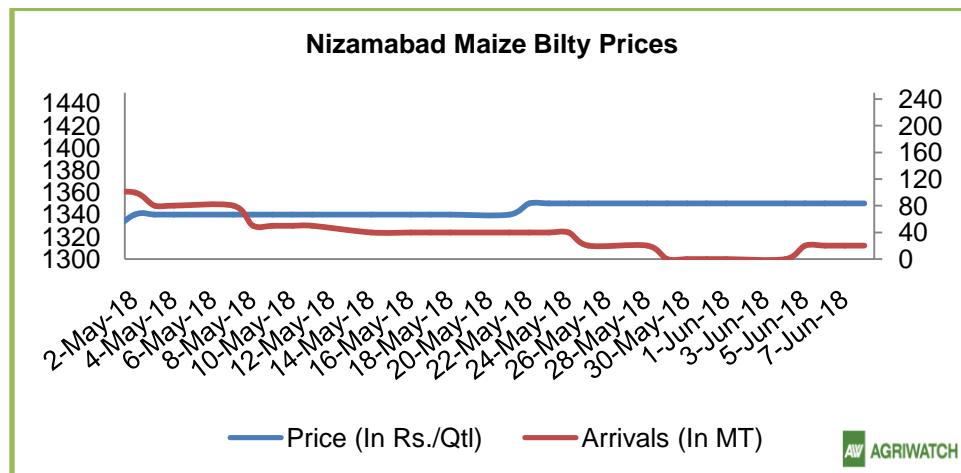
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

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:

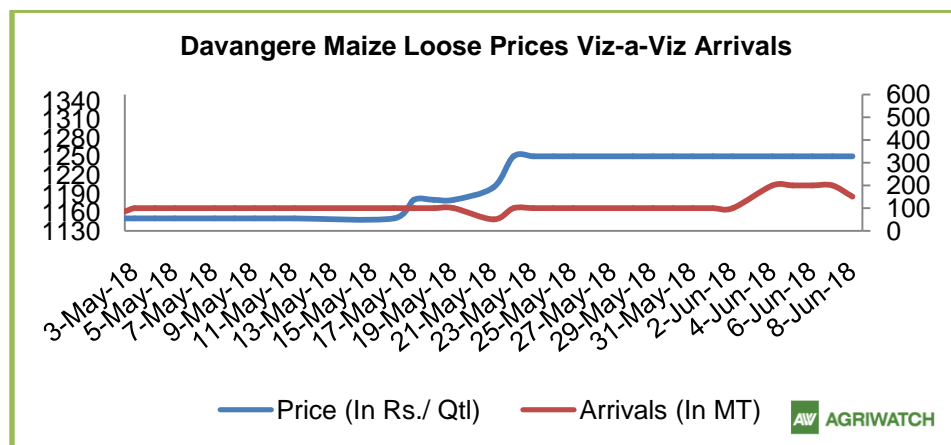
ANDHRA PRADESH:

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 steady to firm in near term amid feed makers demand. Poultry feed makers are buying maize at Rs. 1350 per quintal while starch feed makers are buying at Rs. 1275 per quintal. Maize is moving towards Hyderabad at Rs. 1430 per quintal.



KARNATAKA:

In Davangere, maize is likely to trade steady as demand of feed makers of Tamilnadu has shifted 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. 1360-1420 per quintal, Nammakal and Chennai at Rs. 1450-1500 per quintal each.

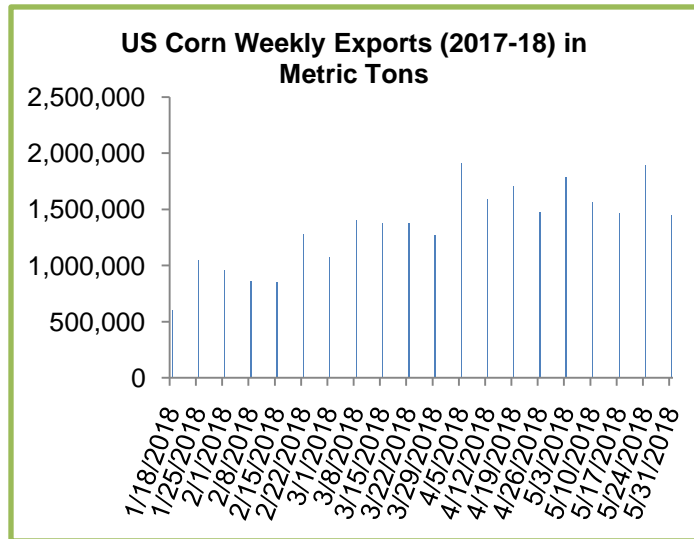


DOMESTIC MAIZE OUTLOOK:

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

INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- U.S corn exports reached 39.00 MMT in the 2017-18 marketing year. At 1.45 MMT (for the period 25th May -31st May, 2018) US corn exports were down 24 percent from the previous week and 14 percent from the prior 4-week average. The destinations were primarily to Mexico (286,800 MT), Japan (279,600 MT), Colombia (140,400 MT), Vietnam (137,400 MT), and South Korea (136,500 MT).



- On the international front, In U.S, 97% corn has been planted as of 03rd June, 2018, higher by 2% compared to last year and last 5 year average period. Corn has emerged 86% as of 03rd June, 2018, higher by 2% compared to last year and 4% from last 5 year average period. 61% of corn is in good to excellent condition, higher by 5% compared to corresponding period last year.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 6.20 USD/ MT to 148.71 USD/MT for July'18 contract compared to last week due to higher than expected corn planting in U.S. However, it is likely to trade firm in near term, due to reduction in global corn ending stock estimates.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(July Contract Weekly Chart)

- Candlestick depicts down in the market.
- RSI is moving down in neutral zone indicates prices may go down.
- Volumes are not supporting the prices in the market.
- Strategy: Sell below 1190 for target 1175 and 1170 in the near term.

Strategy: Sell
Maize NCDEX (July)

Support & Resistance				
S2	S1	PCP	R1	R2
1150	1160	1181	1200	1210

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)

Maize(Corn)Weekly Prices:						
Market	Grade	7-Jun-18	31-May-18	7-May-18	7-Jun-17	7-Jun-16
Gulabbagh	Bilty	1150	1150	1170	1240	1330
Delhi	Hybrid Maize (U.P.)	1290	1320	1350	1420	1475
Davangere	Loose Price	1250	1250	1150	1600	1600
Shimoga	Bilty	1400	1470	1340	1650	1600
Ranebennur	Bilty	1310	1220	1200	1600	1460
Bagalkot	Hybrid/Local	1351	1338	1152	1511	1550
Gadag	Local	1153	1150	909	1304	1621
Nizamabad	Bilty	1350	1350	1340	1525	1540
Khanna	Bilty	1340	1360	1500	1420	1490
Sangli	Feed	NA	NA	NA	1618	1730
Ahmedabad	Feed	1450	1430	1330	1460	1600
	Starch	1420	1400	1390	1480	1575

Maize Price (in Quintal)						
Commodity / Centre		7-Jun-18		31-May-18		Change (+/-)
Market	Grade	Low	High	Low	High	
Gulabbagh	Bilty	1070	1150	1070	1150	Unch
Davangere	Loose Price	1200	1250	1200	1250	Unch
Nizamabad	Bilty	1350	1350	1350	1350	Unch



Maize Arrivals (in Quintal)						
Market	Grade	7-Jun-18	31-May-18	7-May-18	7-Jun-17	7-Jun-16
Gulabbagh	Bilty	15000	15000	3000	2000	1000
Davangere	Loose Price	2000	1000	1000	500	500
Nizamabad	Bilty	200	200	800	700	300

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
Contract Month		6-Jun-18	30-May-18	Change
Corn CBOT Prices	18-Jul	148.91	154.91	-6.00
	18-Sep	152.65	158.46	-5.81
	18-Dec	157.37	162.69	-5.32
	19-Mar	160.92	166.04	-5.12
	19-May	163.38	168.00	-4.62

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