



# Maize Weekly Research Report

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### EXECUTIVE SUMMARY

#### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to range bound during the week and is expected to trade slightly firm in the near term as new crop arrival pressure in Bihar and A.P has reduced. However, in Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 3.29% to Rs. 1410 per quintal (weekly average price). While, starch feed makers quoted it down by 2.05% to Rs. 1385 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 steady to firm in near term amid feed makers demand. In Bihar, maize is likely to trade steady as demand from Punjab and U.P has reduced. As per trade sources, maize sourced from Naugachia region of Bihar is moving to Gujarat, Rajasthan at Rs. 1400 per quintal each and to U.P at Rs. 1250-1300 per quintal by truck. 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 4.91 lakh hectares as on 15 June 2018 which is lower than 6.34 lakh hectare covered during corresponding period last year. However, in Karnataka, it has been sown in 1.83 lakh hectare which is higher than 1.02 lakh hectare compared to corresponding period last year. As per trade sources, 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 go short in Maize for July contract near 1166 levels for a target of 1154 and 1148 with a stop loss at 1173 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1250-1280 per quintal for the week.

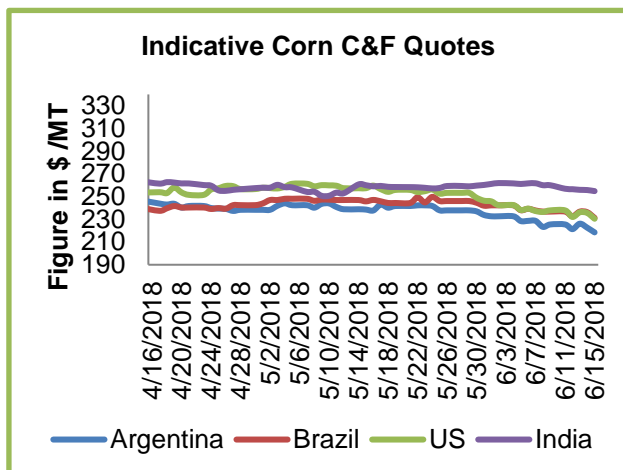
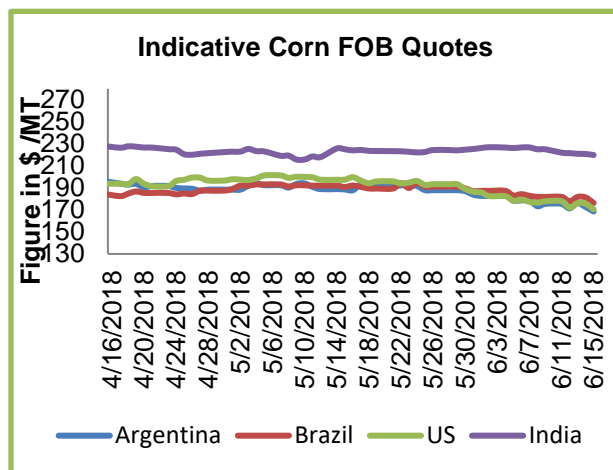
#### INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 0.89 USD/ MT to 148.02 USD/MT for July'18 contract compared to last week.

At 1.41 MMT (for the period 1st June- 7th Jun, 2018) US corn exports were down 3 percent from the previous week and 12 percent from the previous 4-week average.

In U.S, Corn has emerged 94% as of 10th June, 2018, which is higher by 1% compared to corresponding period last year and 2% from the last 5 year average period.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.97)				
As on 15.06.2018	Argentina	Brazil	US	India
FOB	168.50	176.30	170.50	219.84
C&F	218.50	231.30	230.50	254.84

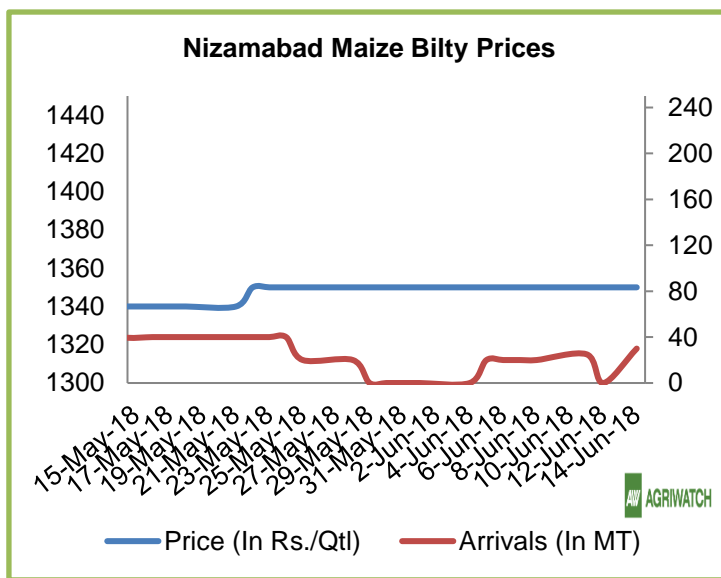
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

## 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:

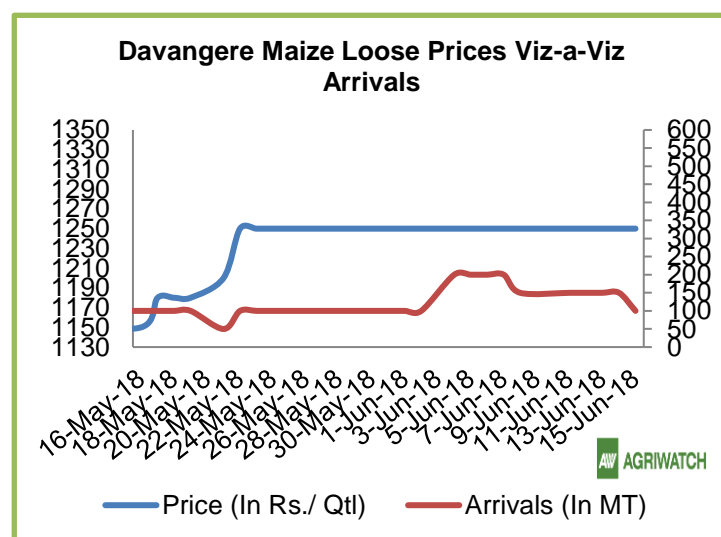
### ANDHRA PRADESH:

- 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. 1275-1280 per quintal. Maize is moving towards Hyderabad at Rs. 1350 per quintal. In Nizamabad, stock of maize in the hands of private traders could be around 5,000 MT.



### 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. 1380-1420 per quintal, Nammakal at Rs. 1420-1450 per quintal and Chennai at Rs. 1440-1450 per quintal each.

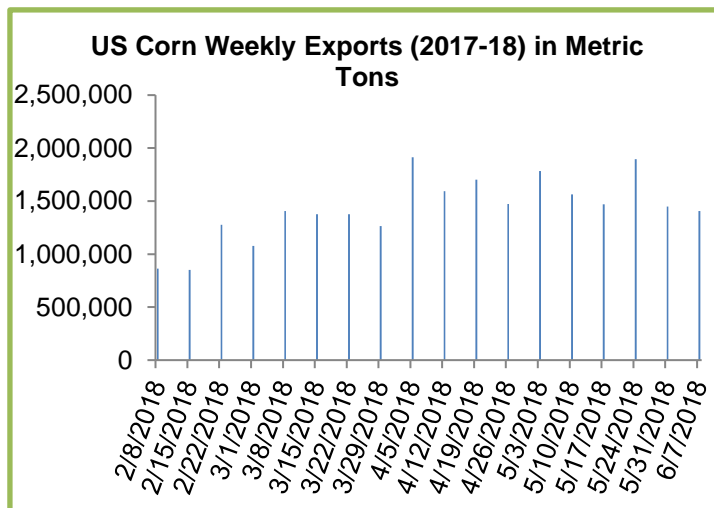


## DOMESTIC MAIZE OUTLOOK:

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

INTERNATIONALSMARKET:HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 40.41 MMT in the 2017-18 marketing year. At 1.41 MMT (for the period 1st June- 7th Jun, 2018) US corn exports were down 3 percent from the previous week and 12 percent from the previous 4-week average. The destinations were primarily to Mexico (361,700 MT), Vietnam (206,000 MT), South Korea (147,100 MT), Saudi Arabia (138,500 MT), and Japan (108,000 MT).
- In U.S, Corn has emerged 94% as of 10th June, 2018, which is higher by 1% compared to corresponding period last year and 2% from the last 5 year average period. 77% of corn is in good to excellent condition, higher by 15% compared to corresponding period last year.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 0.89 USD/ MT to 148.02 USD/MT for July'18 contract compared to last week due to low export demand for U.S corn.

### FUTURES MARKET ANALYSIS: NCDEX MAIZE:



#### (July Contract Weekly Chart)

- Candlestick depicts down in the market.
- Decrease in prices with higher OI indicates short build up.
- RSI is moving down in neutral zone indicates prices may go down.
- Prices also closed below 9 days EMAs.
- Strategy: Sell near 1166 for target 1154 and 1148 in the near term.

#### Strategy: Sell

#### Maize NCDEX (July)

Support & Resistance				
S2	S1	PCP	R1	R2
1133	1147	1162	1180	1199

### 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	14-Jun-18	7-Jun-18	14-May-18	14-Jun-17	14-Jun-16
Gulabgagh	Bilty	1125	1150	1150	1240	1370
Delhi	Hybrid Maize (U.P.)	1300	1290	1330	1300	1550
Davangere	Loose Price	1250	1250	1150	1600	1620
Shimoga	Bilty	1430	1400	1360	1600	1720
Ranebennur	Bilty	1300	1200	1210	1580	1640
Bagalkot	Hybrid/Local	1331	1341	1182	1525	1550
Gadag	Local	1153	1153	1185	1542	1506
Nizamabad	Bilty	1350	1350	1340	1530	1600
Khanna	Bilty	1305	1340	1390	1280	1520
Sangli	Feed	NA	NA	NA	1645	1760
Ahmadabad	Feed	1380	1450	1340	1475	1670
	Starch	1380	1420	1380	1490	1680

<b>Maize CBOT Weekly Futures Price Listing (USD/Ton)</b>				
	<b>Contract Month</b>	<b>13-Jun-18</b>	<b>6-Jun-18</b>	<b>Change</b>
<b>Corn CBOT Prices</b>	<b>July-18</b>	148.02	148.91	<b>-0.89</b>
	<b>Sep-18</b>	151.76	152.65	<b>-0.89</b>
	<b>Dec-18</b>	156.29	157.37	<b>-1.08</b>
	<b>Mar-19</b>	159.93	160.92	<b>-0.99</b>
	<b>May-19</b>	162.30	163.38	<b>-1.08</b>

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