

Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Kharif Sowing Coverage
- ❖ 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 slightly weak during the week and is expected to trade steady to range bound in the near term amid regular feed makers demand. In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 2.84% to Rs. 1370 per quintal (weekly average price). While, starch feed makers quoted it down by 0.79% to Rs. 1374 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 slightly 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 new crop has started in that regions. As per trade sources, maize sourced from Naugachia region of Bihar is moving to Gujarat at Rs. 1450 per quintal. In Davangere, maize is likely to trade steady to slightly weak 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, maize has been sown in around 11.75 lakh hectares as of 22nd June'18 which is lower than 11.76 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 4.34 lakh hectare which is higher than 3.04 lakh hectare covered during corresponding period last year. As per trade source, in Karnataka, despite low price realisation, farmers of maize will not shift to other crop due to labour shortage as maize crop requires less labour.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for July contract near 1155 levels for a target of 1148 and 1144 with a stop loss at 1159 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1220-1250 per quintal for the week.

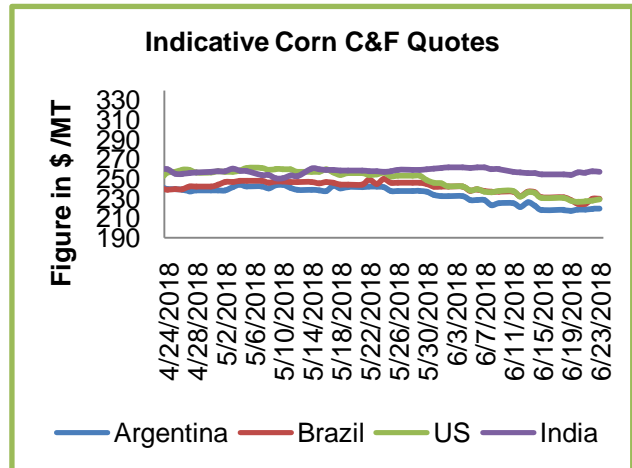
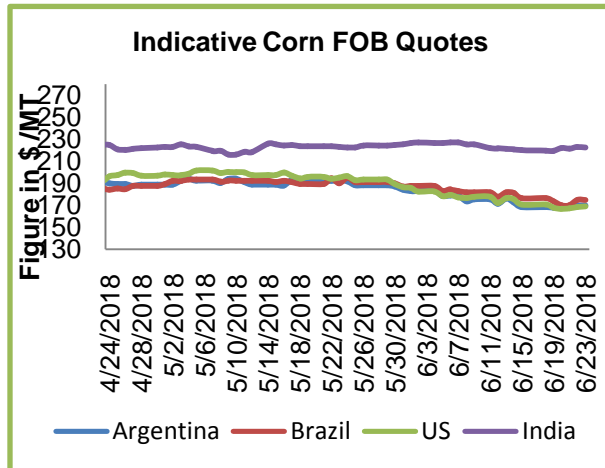
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 2.37 USD/ MT to 140.54 USD/MT for July'18 contract compared to last week.

At 1.76 MMT (for the period 8th June- 14th Jun, 2018) US corn exports were up 25 percent from the previous week and 13 percent from the previous 4-week average.

In U.S, Corn has emerged 98% as of 17th June, 2018, which is higher by 1% compared to corresponding period last year and from the last 5 year average period.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.89)				
As on 23.06.2018	Argentina	Brazil	US	India
FOB	169.78	174.80	169.02	222.33
C&F	219.78	229.80	229.02	257.33

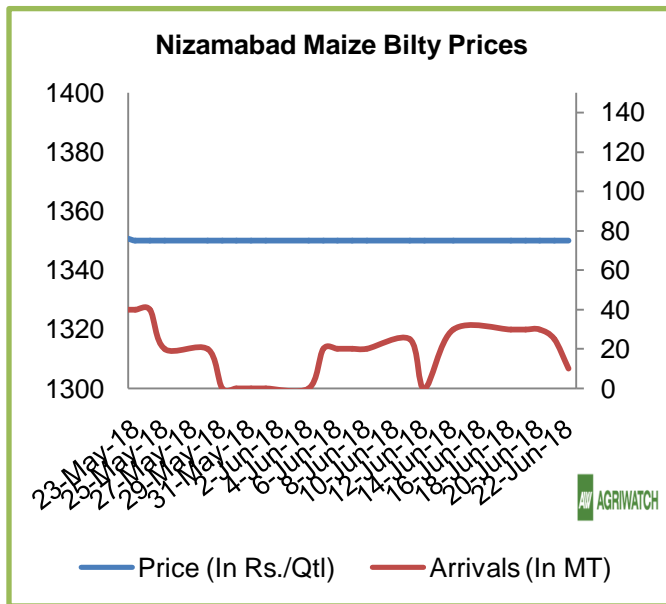
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

CURRENT MARKET DYNAMICS:

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

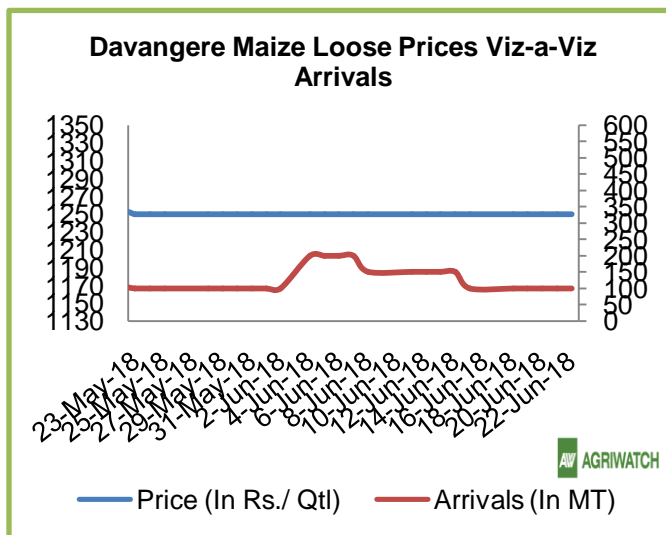
ANDHRA PRADESH:

- 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 to slightly weak as demand of feed makers of Tamilnadu has shifted towards Bihar as quality of maize in and around Davangere regions is not good.

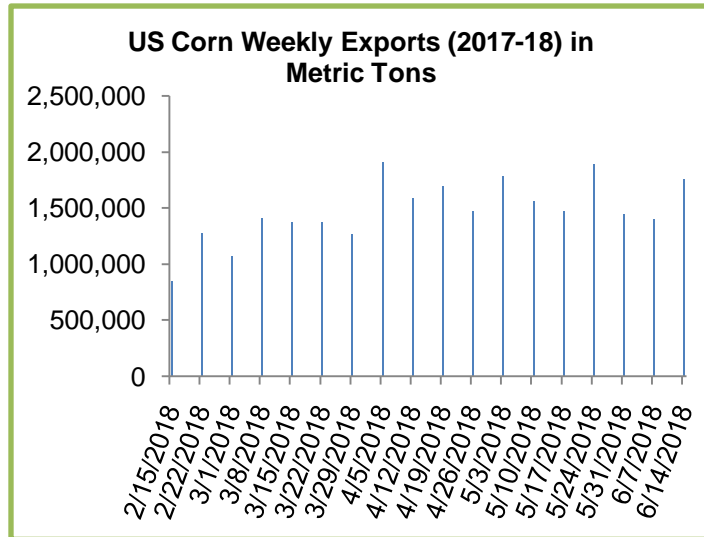


DOMESTIC MAIZE OUTLOOK:

Prices of standard quality maize are likely to be steady to range bound amid feed makers demand. 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 42.17 MMT in the 2017-18 marketing year. At 1.76 MMT (for the period 8th June- 14th Jun, 2018) US corn exports were up 25 percent from the previous week and 13 percent from the previous 4-week average. The destinations were primarily to Japan (550,700 MT), Mexico (338,900 MT), Spain (182,500 MT), South Korea (130,000 MT), and Peru (97,000 MT).



➤ In U.S, Corn has emerged 98% as of 17th June, 2018, which is higher by 1% compared to corresponding period last year and from the last 5 year average period. 78% of corn is in good to excellent condition, higher by 11% compared to corresponding period last year.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 2.37 USD/ MT to 140.54 USD/MT for July'18 contract compared to last week and is expected to trade firm on the expectation of increase in demand for U.S corn.

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.
- Prices also closed below 9 days EMAs.
- Decrease in prices with higher OI indicates short build up.
- Strategy: Sell near 1155 for target 1148 and 1144 in the near term.

Strategy: Sell
Maize NCDEX (July)

Support & Resistance				
S2	S1	PCP	R1	R2
1133	1144	1155	1166	1177

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1220-1250 per quintal for the week.

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

Market	Grade	21-Jun-18	14-Jun-18	21-May-18	21-Jun-17	21-Jun-16
Gulabbagh	Bilty	1140	1125	1150	1240	1550
Delhi	Hybrid Maize (U.P.)	1240	1300	1310	1325	1625
Davangere	Loose Price	1250	1250	1200	1600	1750
Shimoga	Bilty	1380	1430	1340	1600	1675
Ranebennur	Bilty	1240	1300	1350	1585	1600
Bagalkot	Hybrid/Local	1301	1331	1240	1520	1580
Gadag	Local	1225	1185	1246	1309	1344
Nizamabad	Bilty	1350	1350	1340	1540	1670
Khanna	Bilty	1290	1305	1320	1250	1600
Sangli	Feed	NA	NA	NA	1668	1830
Ahmadabad	Feed	1360	1380	1360	1480	1725
	Starch	1380	1380	1400	1490	1750

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	21-Jun-18	14-Jun-18	Change
Corn CBOT Prices	July-18	140.54	142.91	-2.37
	Sep-18	144.28	146.75	-2.47
	Dec-18	148.91	151.37	-2.46
	Mar-19	152.65	155.11	-2.46
	May-19	155.21	157.67	-2.46

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