

Maize Weekly Research Report

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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 1.09% to Rs. 1355 per quintal (weekly average price). While, starch feed makers quoted it firm by 0.51% to Rs. 1381 per quintal compared to last week average price.

In A.P and Nizamabad, maize is likely to trade steady to slightly firm as crop arrival pressure is reducing. In Nizamabad, Poultry feed makers are buying maize at Rs. 1350 per quintal while starch feed makers are buying at Rs. 1275-1280 per quintal.

In Bihar, maize is likely to trade steady amid regular demand and supply. As per trade sources, maize sourced from Naugachia region of Bihar is moving to Punjab at Rs. 1350 per quintal. In Davangere, maize is likely to trade steady as demand of feed makers of Tamilnadu has shifted towards Bihar and A.P as quality of maize in and around Davangere regions is not good.

KHARIF SOWING COVERAGE:

In India, maize has been sown in around 15.20 lakh hectares as of 29th June 2018 which is lower than 16.20 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 4.53 lakh hectare which is higher than 3.04 lakh hectare covered during corresponding period last year. As per trade sources, farmers in Karnataka are not likely to shift from maize despite low price realisation, due to labour shortage as maize crop is less labour intensive. In Davangere region, maize sowing has done in around 70-80% maize sown area. In Haveri and Bagalkot region, maize area is likely to increase around 10%-15%. Mainly Cotton, Groundnut, Sunflower, Urad and Chana crops are expected to shift towards maize. While, in Telangana, around 10% maize sown area is likely to shift towards soybean.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for July contract near 1145 levels for a target of 1155 and 1160 with a stop loss at 1139 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1230-1250 per quintal for the week.

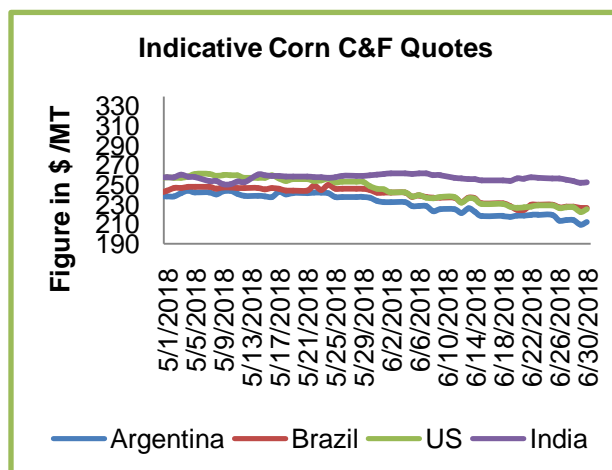
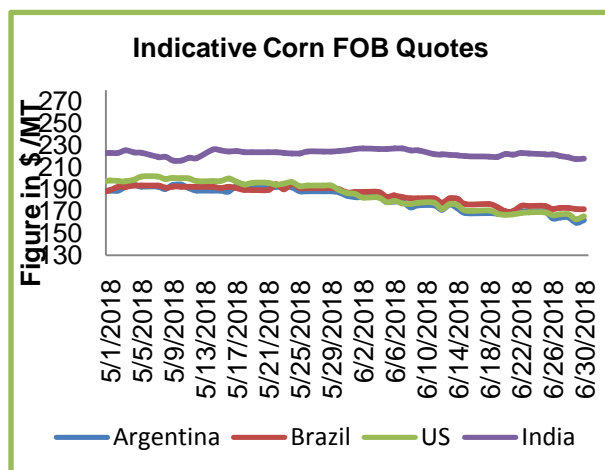
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT fall by 0.69 USD/ MT to 138.77 USD/MT for July'18 contract compared to last week.

At 1.48 MMT (for the period 15th June- 21st Jun, 2018) US corn exports were down 16 percent from the previous week and 9 percent from the previous 4-week average.

In U.S, Corn silking has been made 5% as of 24th 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. 68.45) | | | | |
|--|-----------|--------|--------|--------|
| As on 30.06.2018 | Argentina | Brazil | US | India |
| FOB | 162.01 | 171.90 | 165.47 | 217.56 |
| C&F | 212.01 | 226.90 | 225.47 | 252.56 |

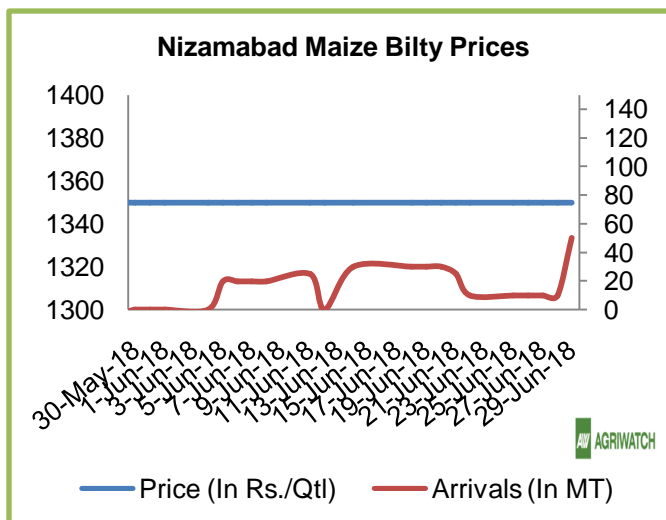
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

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:

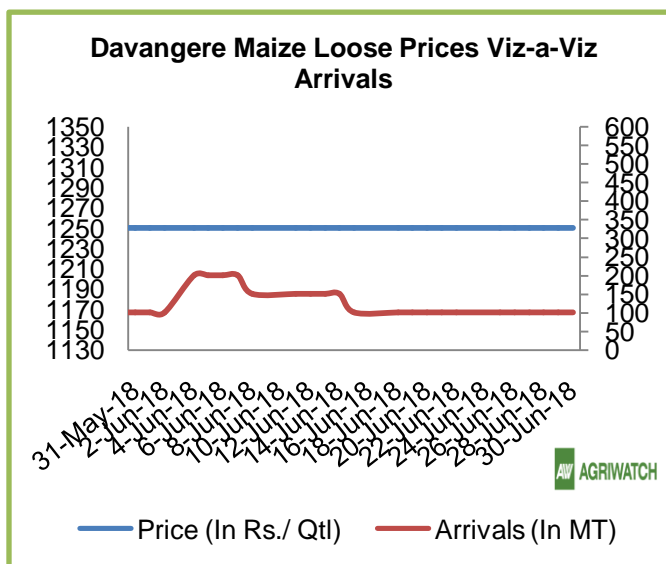
ANDHRA PRADESH:

- In A.P and Nizamabad, maize is likely to trade steady to slightly firm as crop arrival pressure is reducing. In Nizamabad, Poultry feed makers are buying maize at Rs. 1350 per quintal while starch feed makers are buying at Rs. 1275-1280 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 and A.P as quality of maize in and around Davangere regions is not good.

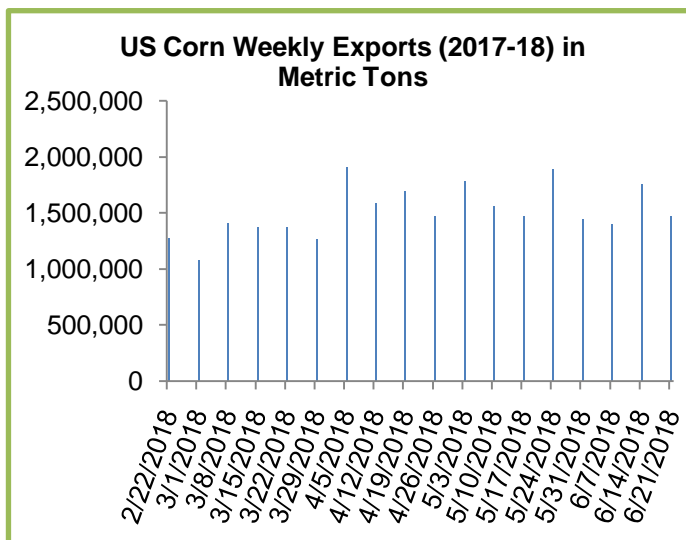


DOMESTIC MAIZE OUTLOOK:

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.

INTERNATIONALSMARKET:HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 43.65 MMT in the 2017-18 marketing year. At 1.48 MMT (for the period 15th June- 21st Jun, 2018) US corn exports were down 16 percent from the previous week and 9 percent from the previous 4-week average. The destinations were primarily to South Korea (275,500 MT), Mexico (275,100 MT), Japan (237,800 MT), Taiwan (91,500 MT), and Tunisia (84,500 MT).
- In U.S, Corn silking has been made 5% as of 24th 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, lower by 10% compared to corresponding period last year.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 0.69 USD/ MT to 138.77 USD/MT for July'18 contract compared to last week. However, it is expected to trade firm on the concern that unfavorably hot weather could threaten the developing U.S. crop.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(July Contract Weekly Chart)

- Candlestick depicts that prices may recover from this bottom level.
- RSI is moving down in neutral zone indicates prices may go down.
- Prices closed below 9 days EMAs.
- Decrease in prices with lower OI indicates long liquidation.
- Strategy: Buy near 1145 for target 1155 and 1160 in the near term.

Strategy: Buy

Maize NCDEX (July)

| Support & Resistance | | | | |
|----------------------|------|------|------|------|
| S2 | S1 | PCP | R1 | R2 |
| 1110 | 1131 | 1152 | 1164 | 1176 |

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1230-1250 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

| Market | Grade | 28-Jun-18 | 21-Jun-18 | 28-May-18 | 28-Jun-17 | 28-Jun-16 |
|------------|---------------------|-----------|-----------|-----------|-----------|-----------|
| Gulabgh | Bilty | 1140 | 1140 | 1150 | 1280 | 1650 |
| Delhi | Hybrid Maize (U.P.) | 1225 | 1240 | 1320 | NA | NA |
| Davangere | Loose Price | 1250 | 1250 | NA | NA | NA |
| Shimoga | Bilty | NA | 1380 | NA | NA | 1900 |
| Ranebennur | Bilty | 1270 | 1300 | 1340 | 1600 | 1860 |
| Bagalkot | Hybrid/Local | NA | 1301 | 1341 | 1543 | NA |
| Gadag | Local | 1179 | 1225 | 1225 | 1304 | 1386 |
| Nizamabad | Bilty | 1350 | 1350 | 1350 | NA | 1740 |
| Khanna | Bilty | 1260 | 1290 | 1340 | 1250 | 1660 |
| Sangli | Feed | 1325 | 1300 | 1300 | 1680 | 1900 |
| Ahmadabad | Feed | 1350 | 1360 | 1400 | 1470 | 1800 |
| | Starch | 1380 | 1380 | 1425 | 1500 | 1800 |

| Maize CBOT Weekly Futures Price Listing (USD/Ton) | | | | |
|--|-----------------------|------------------|------------------|---------------|
| | Contract Month | 27-Jun-18 | 20-Jun-18 | Change |
| Corn CBOT Prices | July-18 | 138.77 | 139.46 | -0.69 |
| | Sep-18 | 142.41 | 143.20 | -0.79 |
| | Dec-18 | 146.94 | 147.93 | -0.99 |
| | Mar-19 | 150.68 | 151.67 | -0.99 |
| | May-19 | 153.34 | 154.32 | -0.98 |

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