



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 steady to range bound in the near term too. In A.P and Nizamabad, maize is likely to trade steady to slightly firm as crop arrival pressure is decreasing. Government decision to increase minimum support price by Rs. 275 per quintal to Rs. 1,700 per quintal may be supporting factor to some extent for price. But, it depends on how Government releases stock lying in its custody in to cash market and at what frequency. It would decide price direction in coming weeks. In Bihar, there are further chances to reduce supply pressure in to the market as traders are expecting increase in the prices of maize in respect of Government decision to increase the minimum support price. In Davangere, maize is likely to trade steady to slightly weak 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. However, limited trade for Bangalore and Nammakal still happening but not supporting to the prices.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 0.52% to Rs. 1362 per quintal (weekly average price). While, starch feed makers quoted it slightly down by 0.07% to Rs. 1380 per quintal compared to last week average price.

KHARIF SOWING COVERAGE:

In India, maize has been sown in around 35.90 lakh hectares as of 6th July 2018 which is lower than 38.75 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 7.79 lakh hectare which is higher than 5.58 lakh hectare covered during corresponding period last year. In M.P, it has been sown in 7.76 lakh hectares which is lower than 8.64 lakh hectares 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 is about 90% completed. 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:

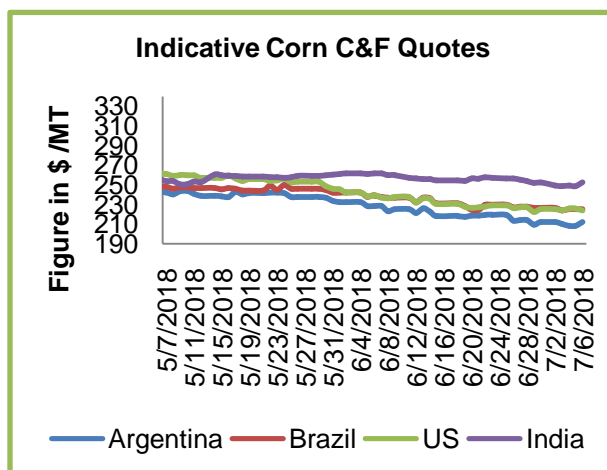
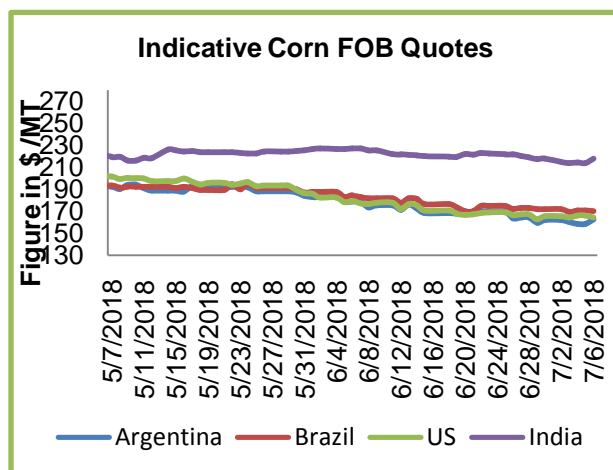
Weekly Call - : Market participants are advised to go long in Maize for August contract near 1222 levels for a target of 1242 and 1252 with a stop loss at 1210 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1230-1250 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

At 1.51 MMT (for the period 22nd June- 28th Jun, 2018) US corn exports were up 2 percent from the previous week, but down 1 percent from the previous 4-week average. .

International Grains Council (IGC) decreased its global corn production forecast by 3 MMT to 1052 MMT compared to previous forecast for 2018/19.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 68.87)				
As on 06.07.2018	Argentina	Brazil	US	India
FOB	162.30	170.20	164.30	217.70
C&F	212.30	225.20	224.30	252.70

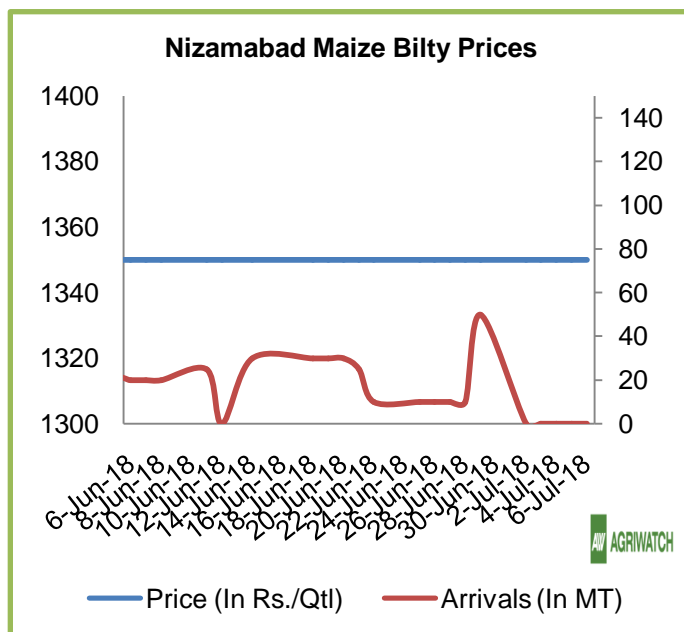
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

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:

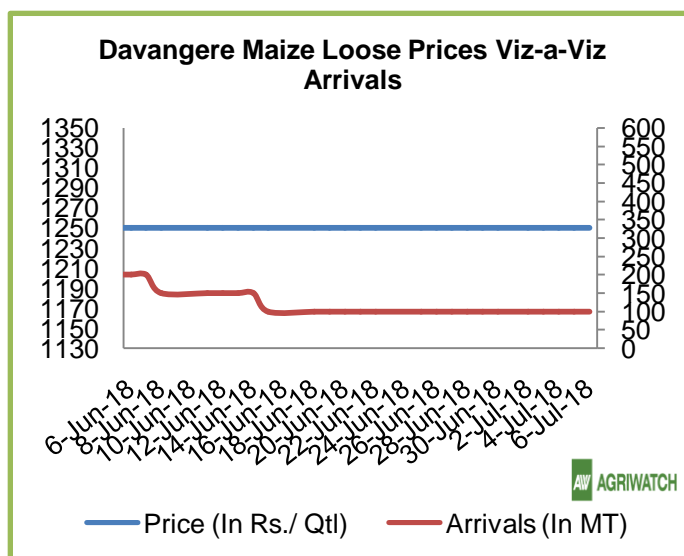
ANDHRA PRADESH & TELANGANA:

- In A.P and Nizamabad, maize is likely to trade steady to slightly firm as crop arrival pressure is decreasing. Government decision to increase minimum support price by Rs. 275 per quintal to Rs. 1,700 per quintal may be supporting factor to some extent for price. But, it depends on how Government releases stock lying in its custody in to cash market and at what frequency. It would decide price direction in coming weeks. In Nizamabad, poultry feed makers are buying maize at Rs. 1325 per quintal while starch feed makers are buying at Rs. 1250 per quintal.



KARNATAKA:

- In Davangere, maize is likely to trade steady to slightly weak 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. However, limited trade for Bangalore and Nammakal still happening but not supporting to the prices.
- Maize from Davangere region is moving in very limited quantity to Bangalore at Rs. 1350-1420 per quintal, Nammakal at Rs. 1420-1450 per quintal and Chennai at Rs. 1450 per quintal.

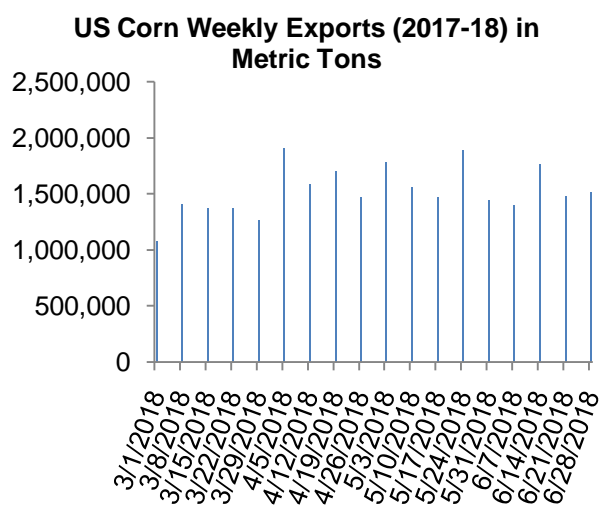


DOMESTIC MAIZE OUTLOOK:

Prices of standard quality maize are likely to be steady to range bound in the near term.

INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 45.17 MMT in the 2017-18 marketing year. At 1.51 MMT (for the period 22nd June- 28th Jun, 2018) US corn exports were up 2 percent from the previous week, but down 1 percent from the previous 4-week average. The destinations were primarily to Mexico (394,300 MT), Japan (200,200 MT), Taiwan (155,400 MT), South Korea (138,400 MT), and Egypt (127,200 MT).
- In U.S, Corn silking is at 17% as of 1st July, 2018, which is higher by 8% compared to corresponding period last year and 9% from the last 5 year average period. 76% of corn is in good to excellent condition, higher by 8% compared to corresponding period last year.
- International Grains Council (IGC) decreased its global corn production forecast by 3 MMT to 1052 MMT compared to previous forecast for 2018/19. Forecast for global corn ending stock was also decreased by 4 MMT to 253 MMT compared to last forecast for 2018/19 which could support the international corn market to gain.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 3.54 USD/ MT to 135.23 USD/MT for July'18 contract compared to last week and are expected to trade down on the concern over rising trade tensions with key global commodities importers.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(August Contract Weekly Chart)

- Candlestick depicts that prices may go up in the near term.
- RSI is moving up in neutral zone indicates prices may go up.
- Prices closed above 9 days EMAs.
- Increase in prices with higher OI indicates long build up.
- Strategy: Buy near 1222 for target 1242 and 1252 in the near term.

Strategy: Buy

Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1159	1189	1219	1253	1279

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	5-Jul-18	28-Jun-18	5-Jun-18	5-Jul-17	5-Jul-16
Gulabgagh	Bilty	1100	1140	1150	1360	1600
Delhi	Hybrid Maize (U.P.)	1225	1225	1300	1275	1600
Davangere	Loose Price	1250	1250	1250	1700	1750
Shimoga	Bilty	1400	1400	1400	1620	1950
Ranebennur	Bilty	1250	1270	1320	1600	1750
Bagalkot	Hybrid/Local	1270	1251	1350	1541	1550
Gadag	Local	1180	1179	1395	1369	1524
Nizamabad	Bilty	1350	1350	1350	Closed	1725
Khanna	Bilty	1260	1260	1330	1250	1600
Sangli	Feed	1462	1325	1300	1700	1860
Ahmadabad	Feed	1370	1350	1460	1470	1750
	Starch	1380	1380	1425	1470	1775

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	5-Jul-18	28-Jun-18	Change
Corn CBOT Prices	July-18	135.23	138.77	-3.54
	Sep-18	138.67	142.41	-3.74
	Dec-18	143.50	146.94	-3.44
	Mar-19	147.63	150.68	-3.05
	May-19	150.29	153.34	-3.05

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