



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded firm during the week by taking cues from Government decision to increase the MSP by Rs. 275 per quintal to Rs. 1, 700 per quintal. As traders of Bihar, are not releasing their stock in to the market on the expectation of further hike; are likely to support the domestic maize cash markets in the near term too. As per trade source, in U.P, maize crop contains fungus of 4%, will also support to maize market of Bihar.

As per trade source, Telangana government has released their stock into the market which is weighing on Nizamabad maize cash market. Further, price direction would depend on how Government releases stock lying in its custody in to cash market and at what frequency.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 2.64% to Rs. 1398 per quintal (weekly average price). While, starch feed makers quoted it firm by 1.16% to Rs. 1396 per quintal compared to last week average price.

KHARIF SOWING COVERAGE:

In India, maize has been sown in around 51.05 lakh hectares as of 13th July 2018 which is higher than 50.80 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 8.25 lakh hectare which is higher than 5.21 lakh hectare covered during corresponding period last year. In M.P, it has been sown in 9.85 lakh hectares which is higher 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 south Karnataka; sowing of maize is almost completed. In Haveri and Bagalkot region, maize area is likely to increase around 10%-15%. In Karnataka, 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:

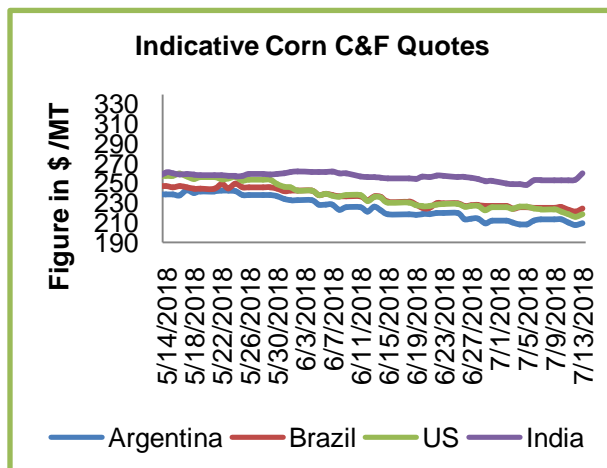
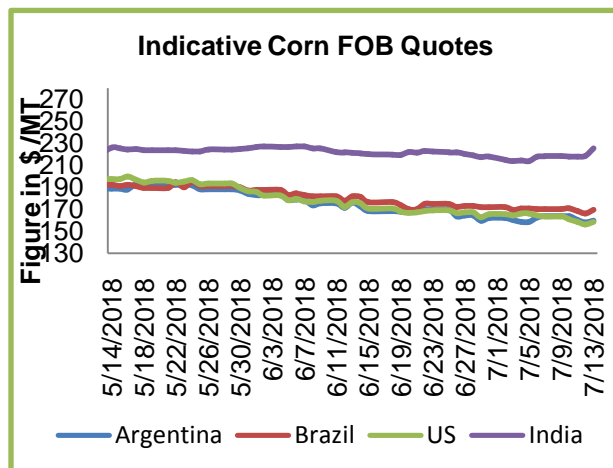
Weekly Call - : Market participants are advised to go long in Maize for August contract near 1252 levels for a target of 1276 and 1288 with a stop loss at 1238 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1280-1330 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

At 1.40 MMT (for the period 29th June- 05th July, 2018) US corn exports were down 8 percent from the previous week and 9 percent from the previous 4-week average.

Despite, increase in global production estimates by 1.88 MMT to 1054.30 MMT; USDA decreased its global corn ending stocks estimates by 2.74 MMT to 151.96 MMT for 2018/19 compared to last month estimates as domestic feed consumption is increasing year on year basis. Decrease in global corn ending estimates likely to support the international corn market to gain.

EXPORT PARITY TREND



| Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 68.4) | | | | |
|---|-----------|--------|--------|--------|
| As on 13.07.2018 | Argentina | Brazil | US | India |
| FOB | 159.55 | 169.60 | 158.60 | 225.10 |
| C&F | 209.55 | 224.60 | 218.60 | 260.10 |

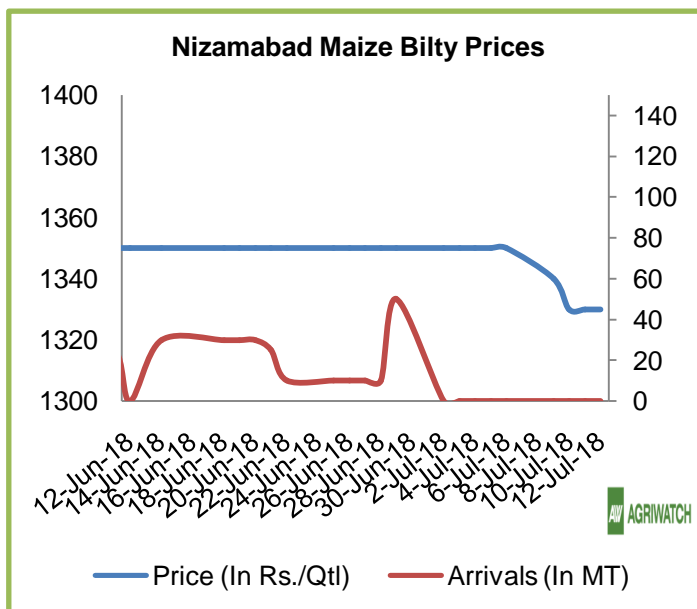
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

CURRENT MARKET DYNAMICS:

During the week under review, the various key spot markets dynamics are as under:

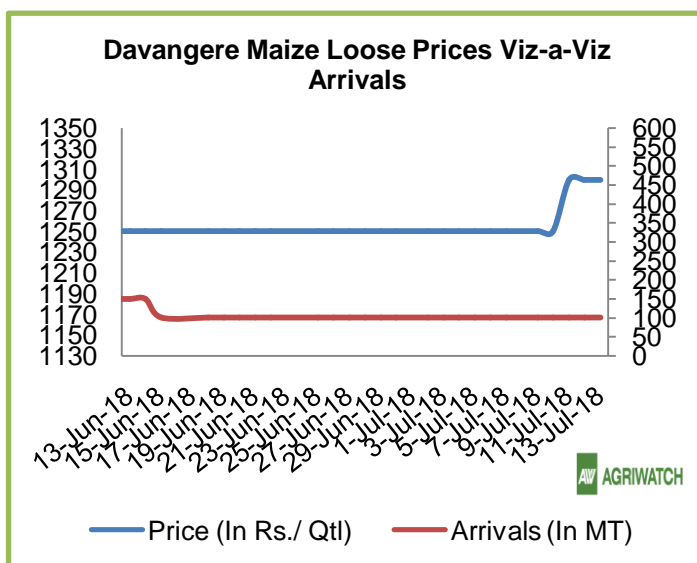
ANDHRA PRADESH & TELANGANA:

- In A.P and Nizamabad, maize is likely to trade steady to range bound in near term. 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. 1330 per quintal while starch feed makers are buying at Rs. 1270 per quintal. As per trade source, stock of maize could be around 4 lakh bags (1 bag=50 kg.) which is more or less same during corresponding period last year.



KARNATAKA:

- In Davangere, maize is likely to trade steady to slightly firm as loading from Bihar to Tamilnadu was disrupted last week due to rain.

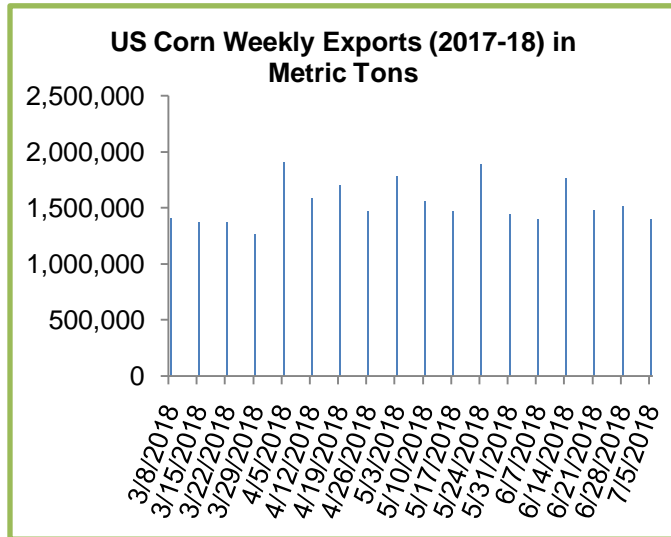


DOMESTIC MAIZE OUTLOOK:

Prices of standard quality maize are likely to be steady to slightly firm in the near term.

INTERNATIONALSMARKET:HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 46.56 MMT in the 2017-18 marketing year. At 1.40 MMT (for the period 29th June- 05th July, 2018) US corn exports were down 8 percent from the previous week and 9 percent from the previous 4-week average. The destinations were primarily to Japan (294,600 MT), Mexico (276,000 MT), South Korea (198,100 MT), Saudi Arabia (110,000 MT), and Vietnam (83,000 MT).
- Despite, increase in global production estimates by 1.88 MMT to 1054.30 MMT; USDA decreased its global corn ending stocks estimates by 2.74 MMT to 151.96 MMT for 2018/19 compared to last month estimates as domestic feed consumption is increasing year on year basis. Decrease in global corn ending estimates likely to support the international corn market to gain.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 2.76 USD/ MT to 132.47 USD/MT for July'18 contract compared to last week due to decrease in export demand for U.S corn. However, Decrease in global corn ending estimates likely to support the international corn market to gain.

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 volume and OI indicates long build up.
- Strategy: Buy near 1252 for target 1276 and 1288 in the near term.

Strategy: Buy
Maize NCDEX (August)

| Support & Resistance | | | | |
|----------------------|------|------|------|------|
| S2 | S1 | PCP | R1 | R2 |
| 1204 | 1238 | 1272 | 1290 | 1308 |

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1280-1330 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

| Market | Grade | 12-Jul-18 | 5-Jul-18 | 12-Jun-18 | 12-Jul-17 | 12-Jul-16 |
|------------|---------------------|-----------|----------|-----------|-----------|-----------|
| Gulabbagh | Bilty | 1130 | 1100 | 1125 | 1340 | 1550 |
| Delhi | Hybrid Maize (U.P.) | 1260 | 1225 | 1300 | 1325 | 1590 |
| Davangere | Loose Price | 1300 | 1250 | 1250 | 1800 | 1700 |
| Shimoga | Bilty | 1400 | 1400 | 1430 | 1700 | 1900 |
| Ranebennur | Bilty | 1270 | 1250 | 1300 | 1600 | 1720 |
| Bagalkot | Hybrid/Local | 1326 | 1270 | 1331 | 1615 | 1847 |
| Gadag | Local | 1312 | 1180 | 1153 | 1477 | 1524 |
| Nizamabad | Bilty | 1330 | 1350 | 1350 | 1585 | 1740 |
| Khanna | Bilty | 1300 | 1260 | 1260 | 1300 | 1625 |
| Sangli | Feed | 1523 | 1462 | NA | 1710 | 1860 |
| Ahmadabad | Feed | 1400 | 1370 | 1400 | 1470 | 1720 |
| | Starch | 1410 | 1380 | 1390 | 1425 | 1740 |

| Maize CBOT Weekly Futures Price Listing (USD/Ton) | | | | |
|---|----------------|-----------|----------|--------|
| | Contract Month | 12-Jul-18 | 5-Jul-18 | Change |
| Corn CBOT Prices | July-18 | 132.47 | 135.23 | -2.76 |
| | Sep-18 | 136.12 | 138.67 | -2.55 |
| | Dec-18 | 141.43 | 143.50 | -2.07 |
| | Mar-19 | 146.06 | 147.63 | -1.57 |
| | May-19 | 148.71 | 150.29 | -1.58 |

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