



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to firm during the week as traders and farmers are not releasing their stock into the market. In Bihar too, maize prices increased in last two weeks as traders of Bihar not released their stock in high quantity on the expectation of further hike. Besides, Tamilnadu feed makers' demand also support to Bihar maize prices. As per trade source, maize moved towards Tamilnadu at Rs. 1475-1480 per quintal, sourced from Bihar.

In A.P and Nizamabad, maize is likely to trade steady to range bound despite crop arrival pressure decreasing. Government decision to increase minimum support price by Rs. 275 per quintal to Rs. 1,700 per quintal may be supporting factor in the near term.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 2.86% to Rs. 1438 per quintal (weekly average price). While, starch feed makers quoted it firm by 1.58% to Rs. 1418 per quintal compared to last week average price.

KHARIF SOWING COVERAGE:

In India, maize has been sown in around 61.32 lakh hectares as of 20th July 2018 which is lower than 61.35 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 9.06 lakh hectare which is higher than 6.60 lakh hectare covered during corresponding period last year. In M.P, it has been sown in 11.97 lakh hectares which is higher than 11.61 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. In Andhra Pradesh, maize sowing as of 18th July 2018 reported 0.45 lakh hectares which is higher than 0.39 lakh hectares during corresponding period last year.

RECOMMENDATION:

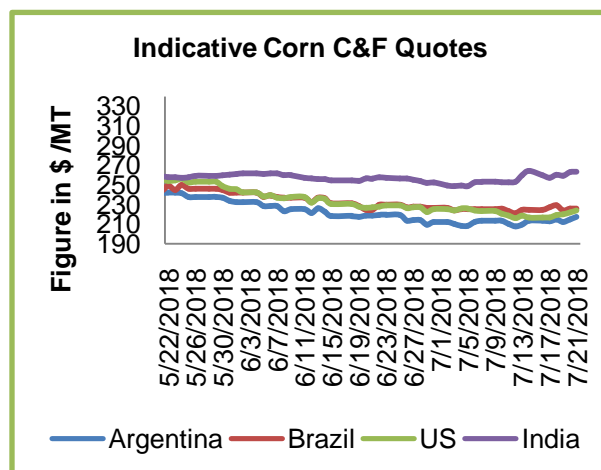
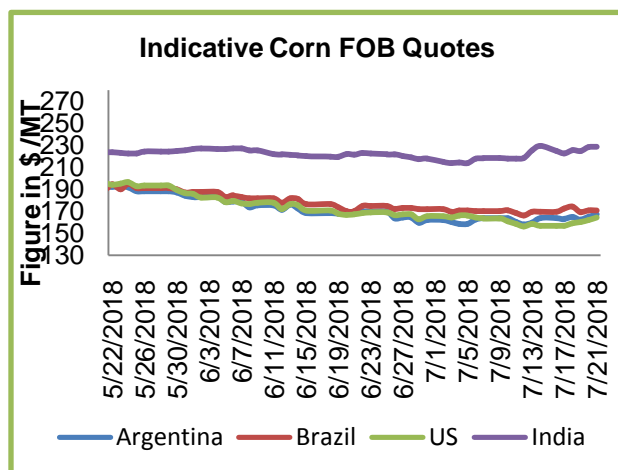
Weekly Call - : Market participants are advised to go long in Maize for August contract near 1264 levels for a target of 1276 and 1282 with a stop loss at 1257 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1280-1320 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

At 1.29 MMT (for the period 6th July- 12th July, 2018) US corn exports were down 7 percent from the previous week and 16 percent from the previous 4-week average.

In U.S, Corn silking is at 63% as of 15th July, 2018, which is higher by 26% 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. 68.73)				
As on 21.07.2018	Argentina	Brazil	US	India
FOB	167.42	170.80	164.30	228.43
C&F	217.42	225.80	224.30	263.43

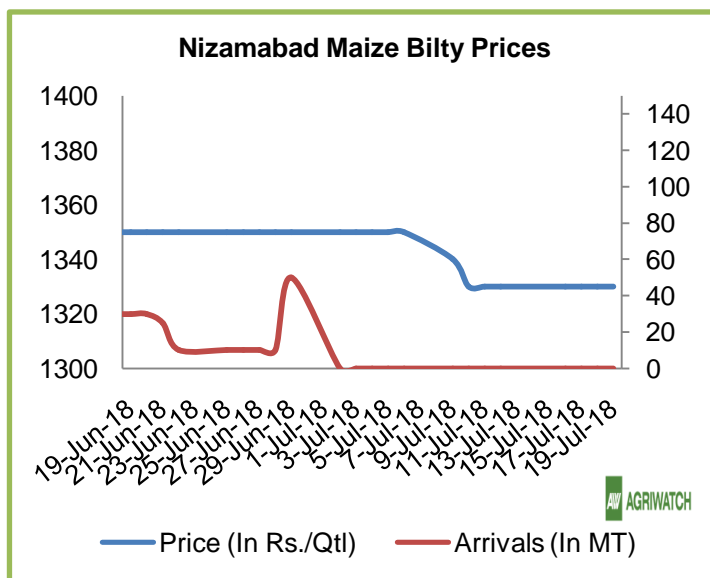
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

CURRENT MARKET DYNAMICS:

During the week under review, steady to firm sentiments reported in the various key spot markets dynamics are as under:

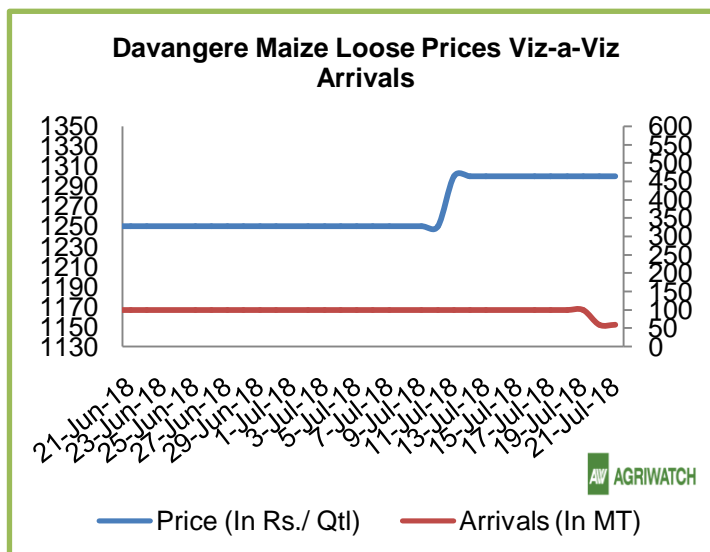
ANDHRA PRADESH & TELANGANA:

- In A.P and Nizamabad, maize is likely to trade steady or range bound despite crop arrival pressure decreasing. Government decision to increase minimum support price by Rs. 275 per quintal to Rs. 1,700 per quintal may be supporting factor in the near term.
- In Nizamabad, poultry feed makers are buying maize at Rs. 1330-1350 per quintal while starch feed makers are buying at Rs. 1275-1280 per quintal. Maize is moving towards Hyderabad at Rs. 1400 per quintal; sourced from Nizamabad. As per trade sources, 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 in the near term. As per trade sources, stock of maize could be around 5 lakh quintal which was 3 lakh quintal during corresponding period last year.

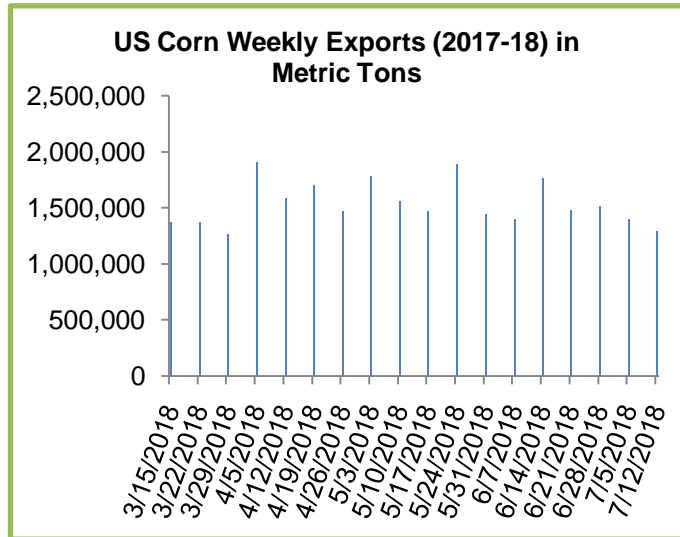


DOMESTIC MAIZE OUTLOOK:

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 47.86 MMT in the 2017-18 marketing year. At 1.29 MMT (for the period 6th July- 12th July, 2018) US corn exports were down 7 percent from the previous week and 16 percent from the previous 4-week average. The destinations were primarily to Mexico (335,700 MT), Japan (211,400 MT), South Korea (129,800 MT), Peru (77,600 MT), and Saudi Arabia (76,300 MT).
- In U.S, Corn silking is at 63% as of 15th July, 2018, which is higher by 26% compared to corresponding period last year and from the last 5 year average period. 72% of corn is in good to excellent condition, lower by 3% compared to last week but higher by 8% compared to corresponding period last year.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT raised by 2.16 USD/ MT to 138.28 USD/MT for September'18 contract compared to last week on the concern over U.S crop yield may fall short of previous expectations.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(August Contract Weekly Chart)

- Doji candlestick depicts indecision situation in the market.
- RSI is moving up in neutral zone indicates prices may go up.
- Prices closed above 9 days EMAs.
- Decrease in prices with lower volume and OI indicates consolidation.
- Strategy: Buy near 1264 for target 1276 and 1282 in the near term.

Strategy: Buy
Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1238	1252	1267	1283	1295

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1280-1320 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	19-Jul-18	12-Jul-18	19-Jun-18	19-Jul-17	19-Jul-16
Gulabbagh	Bilty	1175	1130	1125	1350	1500
Delhi	Hybrid Maize (U.P.)	1300	1260	1300	1325	1560
Davangere	Loose Price	1300	1300	1250	1800	1700
Shimoga	Bilty	1400	1400	1380	1725	1900
Ranebennur	Bilty	1285	1250	1240	1700	1750
Bagalkot	Hybrid/Local	1328	1300	1331	1550	1600
Gadag	Local	1159	1312	1185	1550	1697
Nizamabad	Bilty	1330	1330	1350	1625	Closed
Khanna	Bilty	1310	1300	1285	1320	1600
Sangli	Feed	1539	1523	NA	1704	1860
Ahmadabad	Feed	1430	1400	1380	1450	1740
	Starch	1420	1410	1370	1400	1725

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	19-Jul-18	12-Jul-18	Change
Corn CBOT Prices	Sep-18	138.28	136.12	2.16
	Dec-18	143.69	141.43	2.26
	Mar-19	148.22	146.06	2.16
	May-19	150.68	148.71	1.97
	July-19	153.04	NA	-

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