



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 supply was limited due to All India lorry strike. In Bihar, Tamilnadu feed makers' demand is supporting to Bihar maize prices. As per trade source, rake of maize, sourced from Bihar is moving to Tamilnadu at Rs. 1425 per quintal. Besides, in small quantities, maize is moving towards Punjab and U.P at Rs. 1400 and 1350 per quintal respectively.

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 Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 0.70% to Rs. 1448 per quintal (weekly average price). While, starch feed makers quoted it firm by 2.26% to Rs. 1450 per quintal compared to last week average price.

KHARIF SOWING COVERAGE:

In India, maize has been sown in around 66.91 lakh hectares as of 27th July 2018 which is lower than 67.92 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 9.06 lakh hectare which is higher than 7.68 lakh hectare covered during corresponding period last year. In M.P, it has been sown in 13.12 lakh hectares which is higher than 11.61 lakh hectares during corresponding period last year. In south Karnataka; sowing of maize has 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 A.P, maize has been sown in around 0.62 lakh hectares which is higher than 0.47 lakh hectare covered during corresponding period last year.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for August contract near 1275 levels for a target of 1289 and 1296 with a stop loss at 1267 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1280-1320 per quintal for the week.

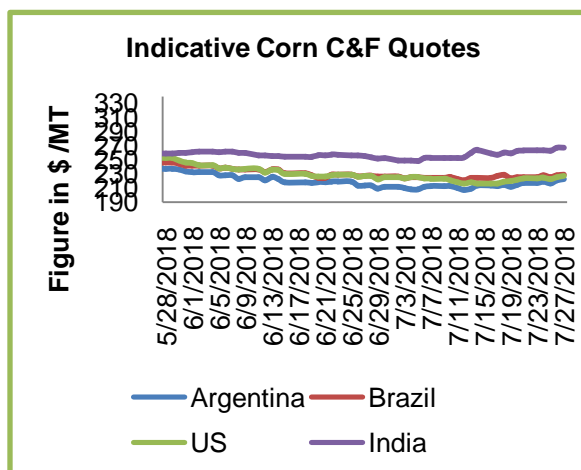
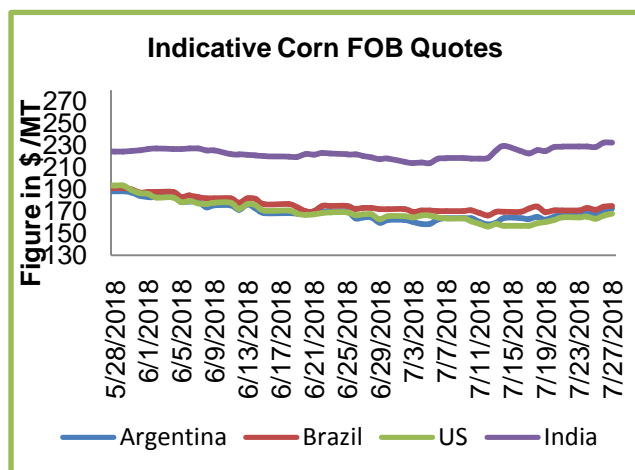
INTERNATIONAL CORN MARKET SUMMARY

At 1.28 MMT (for the period 13th July- 19th July, 2018) US corn exports were down 1 percent from the previous week and 10 percent from the previous 4-week average.

In U.S, Corn silking is at 81% as of 22nd July, 2018, which is higher by 18% compared to corresponding period last year and 19% from the last 5 year average period.

IGC kept unchanged its global corn production forecast at 1052 MMT compared to previous forecast for 2018/19.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 68.68)				
As on 27.07.2018	Argentina	Brazil	US	India
FOB	172.64	174.80	167.90	232.27
C&F	222.64	229.80	227.90	267.27

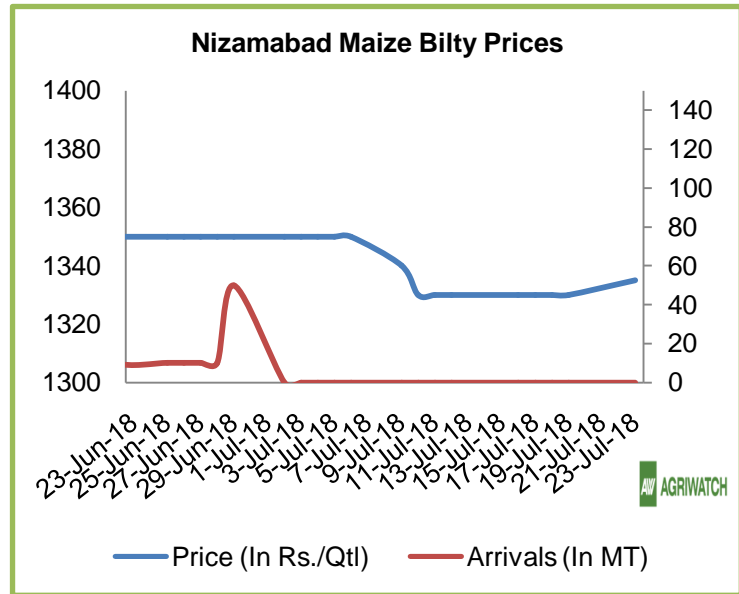
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

CURRENT MARKET DYNAMICS:

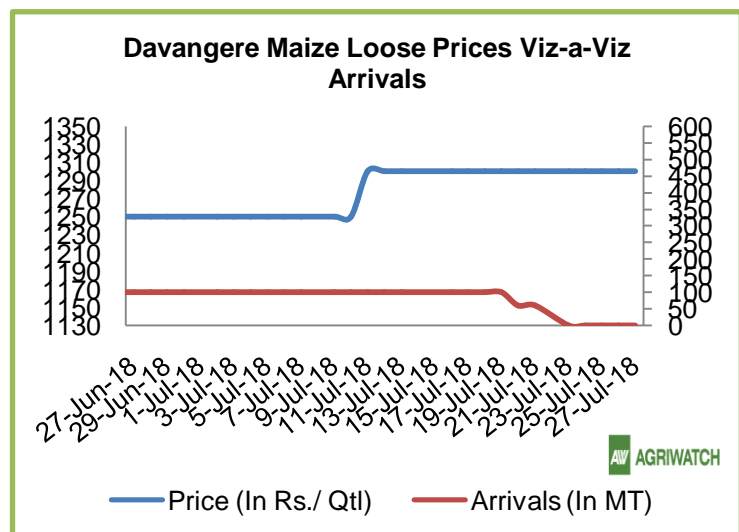
During the week under review, steady to firm sentiments reported in the various key spot markets dynamics are as under:

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.
- As per trade sources, in Nizamabad, stock of maize could be around 4 lakh bags (1 bag=50 kg.) which is almost same as during corresponding period last year.

KARNATAKA:

- In Davangere, maize is likely to trade steady to range bound 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:

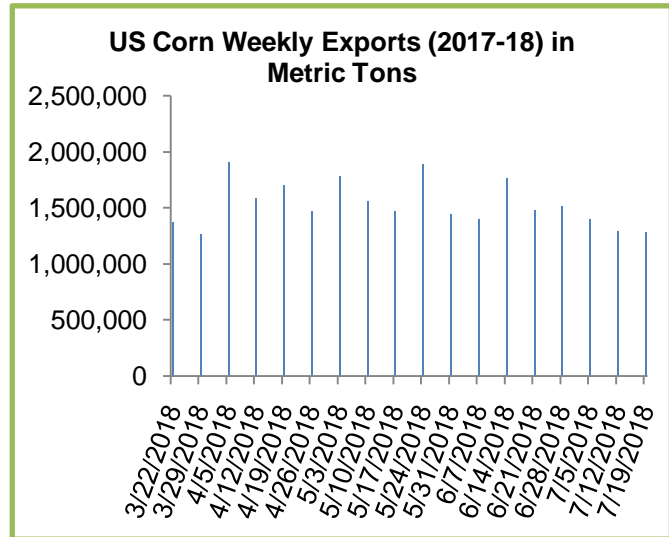
Prices of standard quality maize are likely to be steady to range bound in the near term.

INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 49.14 MMT in the 2017-18 marketing year. At 1.28 MMT (for the period 13th July- 19th July, 2018) US corn exports were down 1 percent from the previous week and 10 percent from the previous 4-week average. The destinations were primarily to Mexico (338,600 MT), Japan (283,400 MT), South Korea (198,500 MT), Colombia (95,700 MT), and Peru (77,800 MT).
- In U.S, Corn silking is at 81% as of 22nd July, 2018, which is higher by 18% compared to corresponding period last year and 19% from the last 5 year average period. 72% of corn is in good to excellent condition, same compared to last week but higher by 10% compared to corresponding period last year.
- IGC kept unchanged its global corn production forecast at 1052 MMT compared to previous forecast for 2018/19. However, forecast for global corn ending stock was decreased by 4 MMT to 249 MMT due to increase in trade and consumption estimates, compared to last forecast for 2018/19 which could support the international corn market to gain.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT raised by 4.04 USD/ MT to 142.32 USD/MT for September'18 contract compared to last week due to decrease in global corn ending stock estimates. It is likely to trade up on the expectation of increase in demand for U.S corn.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(August Contract Weekly Chart)

- Candlestick depicts firm situation in the market.
- RSI is moving up in overbought zone might take correction in the short run.
- Prices closed above 9 days EMAs.
- Increase in prices with lower OI indicates to short covering.
- Strategy: Buy near 1275 for target 1289 and 1296 in the near term.

Strategy: Buy

Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1252	1266	1280	1297	1312

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	26-Jul-18	19-Jul-18	26-Jun-18	20-Jun-18	26-Jul-16
Gulabbagh	Bilty	1225	1175	1140	1140	1570
Delhi	Hybrid Maize (U.P.)	1350	1300	1225	1300	NA
Davangere	Loose Price	1300	1300	1250	1250	1700
Shimoga	Bilty	1520	1400	NA	1380	1880
Ranebennur	Bilty	1300	1285	1250	1300	1780
Bagalkot	Hybrid/Local	1336	1328	1251	1321	1817
Gadag	Local	1261	1161	1211	1225	NA
Nizamabad	Bilty	Closed	1330	1350	1350	1780
Khanna	Bilty	1340	1310	1250	1310	1640
Sangli	Feed	1515	1539	NA	NA	1870
Ahmadabad	Feed	1460	1430	1350	1350	1800
	Starch	1450	1420	1390	1350	1775

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	26-Jul-18	19-Jul-18	Change
Corn CBOT Prices	Sep-18	142.32	138.28	4.04
	Dec-18	147.93	143.69	4.24
	Mar-19	152.06	148.22	3.84
	May-19	154.32	150.68	3.64
	July-19	156.39	153.04	3.35

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