



Maize Weekly Research Report

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EXECUTIVE SUMMARY**DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded mixed during the week and is likely to trade steady to range bound in the near term. In Bihar, maize prices are supported by Tamil Nadu feed makers' demand. As per trade source, rake of maize, sourced from Bihar is moving to Tamilnadu at Rs. 1420-30 per quintal. Besides, in small quantities, maize is moving to Punjab and U.P at Rs. 1400 and 1300-1350 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 is the main reason to support the prices in the near term.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 1.04% to Rs. 1463 per quintal (weekly average price). While, starch feed makers quoted it firm by 0.17% to Rs. 1452.5 per quintal compared to last week average price.

KHARIF SOWING COVERAGE:

In India, maize has been sown in around 72.48 lakh hectares as on 03rd August 2018 which is higher than 71.36 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 10.06 lakh hectare which is higher than 8.62 lakh hectare covered during corresponding period last year. In M.P, it has been sown in 13.12 lakh hectares which is higher than 12.58 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 has been completed. In Haveri and Bagalkot regions, maize area is likely to increase around 10%-15%. In Karnataka, maize is likely to replace some acreage of Cotton, Groundnut, Sunflower and Urad crops, while in Telangana, around 10% maize sown area is likely to shift towards soybean. In A.P, maize has been sown in around 0.71 lakh hectares- higher than 0.60 lakh hectare covered during corresponding period last year.

RECOMMENDATION:

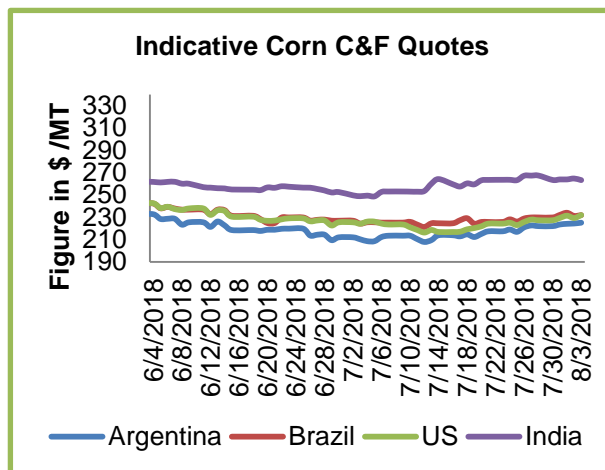
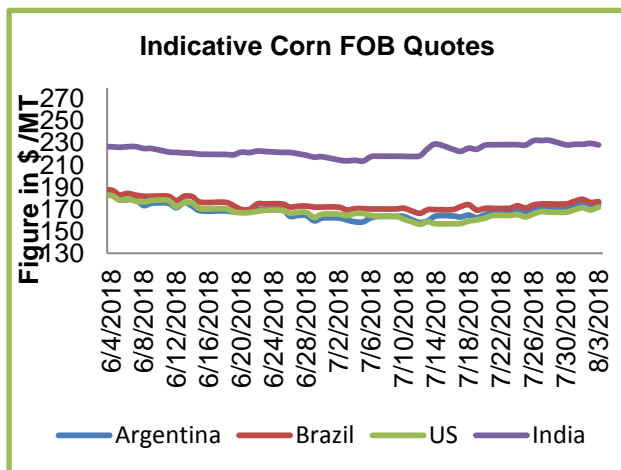
Weekly Call - : Market participants are advised to go long in Maize for August contract near 1268 levels for a target of 1282 and 1289 with a stop loss at 1260 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1280-1320 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

At 1.62 MMT (for the period 20th July- 26th July, 2018) US corn exports were up by 27% from the previous week and 18% from the previous 4-week average.

In U.S, Corn silking is at 91% as of 29th July, 2018, which is higher by 9% 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. 68.79)				
As on 03.08.2018	Argentina	Brazil	US	India
FOB	175.10	176.90	171.90	228.23
C&F	225.10	231.90	231.90	263.23

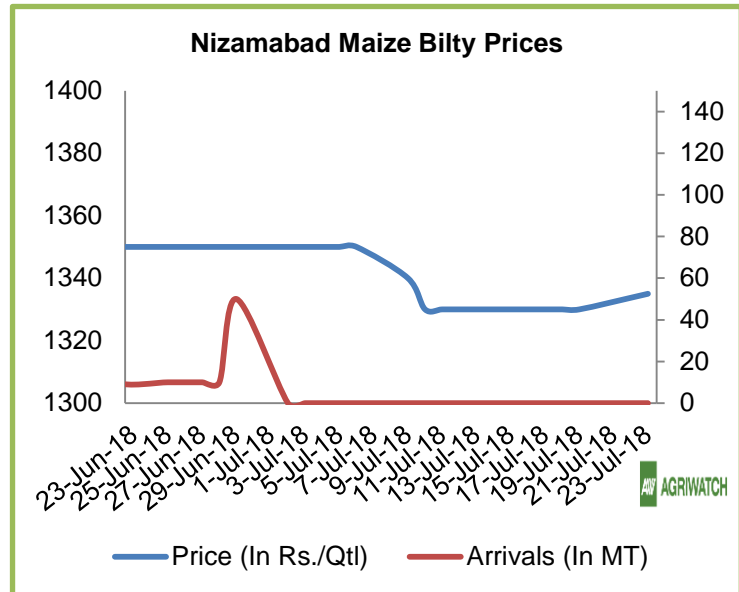
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

CURRENT MARKET DYNAMICS:

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

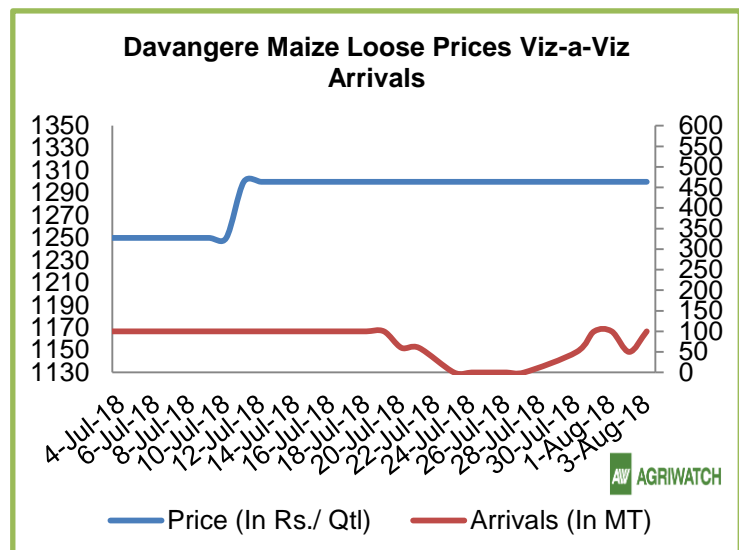
ANDHRA PRADESH & TELANGANA:

- 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. Trade activity during the week was subdued on account of labours' strike.



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.

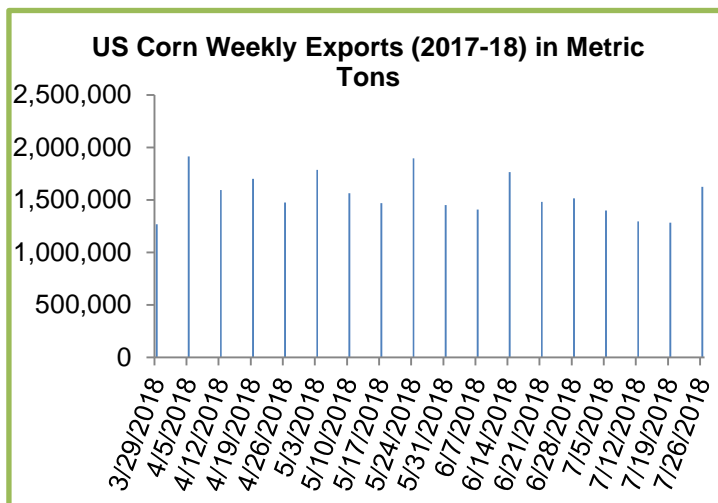


DOMESTIC MAIZE OUTLOOK:

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 50.76 MMT in the 2017-18 marketing year. At 1.62 MMT (for the period 20th July- 26th July, 2018) US corn exports were up by 27% from the previous week and 18% from the previous 4-week average. The destinations were primarily to Japan (405,600 MT), Mexico (349,000 MT), South Korea (281,800 MT), Taiwan (160,800 MT), and Colombia (111,100 MT).



- In U.S, Corn silking is at 91% as of 29th July, 2018, which is higher by 9% compared to corresponding period last year and from the last 5 year average period. Corn dough is at 38%, which is higher by 17% compared to corresponding period last year. 72% of corn is in good to excellent condition, same compared to last week but higher by 11% compared to corresponding period last year.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT raised by 3.05 USD/ MT to 145.56 USD/MT for September'18 contract compared to last week and 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 range bound situation in the market.
- RSI is moving up in neutral zone.
- Prices closed above 9 and 18 days EMAs.
- Decrease in prices with lower volume and OI indicates to consolidation.
- Strategy: Buy near 1268 for target 1282 and 1289 in the near term.

Strategy: Buy

Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1241	1257	1274	1290	1302

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	3-Aug-18	27-Jul-18	3-Jul-18	3-Aug-17	3-Aug-16
Gulabgagh	Bilty	1200	1225	1100	1350	1500
Delhi	Hybrid Maize (U.P.)	1350	1325	1225	1350	0
Davangere	Loose Price	1300	1300	1250	1650	1700
Shimoga	Bilty	1360	1520	1400	NA	1861
Ranebennur	Bilty	1400	1380	1300	1710	1790
Bagalkot	Hybrid/Local	1322	1339	1256	NA	1711
Gadag	Local	1440	1261	1141	NA	NA
Nizamabad	Bilty	Closed	Closed	1350	1650	1750
Khanna	Bilty	1350	1340	1250	1250	1630
Sangli	Feed	1528	1517	1460	1650	1870
Ahmadabad	Feed	1450	1460	1370	1450	1770
	Starch	1425	1450	1380	1450	1775

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	3-Aug-18	27-Jul-18	Change
Corn CBOT Prices	Sep-18	145.56	142.51	3.05
	Dec-18	151.27	148.12	3.15
	Mar-19	155.70	152.26	3.44
	May-19	158.06	154.52	3.54
	July-19	160.23	156.59	3.64

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