



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 .We are expecting that maize could trade firm at the end of this month; till the time it could trade steady to range bound movement. In Bihar markets, prices are supported by Tamil Nadu feed makers' demand. As per trade source, rake of maize, sourced from Bihar, moved to Tamilnadu last week at Rs. 1420 per quintal. Besides, in small quantities, maize moved to Punjab and U.P at Rs. 1400 and 1300-1350 per quintal respectively.

In Jalgaon region of Maharashtra; trade sources revealed that maize stock could be around 30,000 quintal which was 1 lakh quintal during corresponding period last year. Sowing of maize is 5% higher than last year but as there is no rain in the region that could be bad for maize yield. Traders are not releasing their stock on the expectation of increase in the maize prices. In Nizamabad, maize prices are likely to trade steady to slightly weak as Government has released maize at lower price due to its poor quality. Now, buyers are demanding good quality material at Rs.1270 per quintal which is lower than current market price of Rs. 1300 per quintal. However, sellers are unwilling to sell good quality maize at lower price.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 2.46% to Rs. 1499 per quintal (weekly average price). While, starch feed makers quoted it firm by 2.51% to Rs. 1489 per quintal compared to last week average price.

KHARIF SOWING COVERAGE:

In India, maize has been sown in around 74.34 lakh hectares as on 10th August 2018 which is lower than 74.44 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 10.34 lakh hectare which is higher than 9.04 lakh hectare covered during corresponding period last year. In M.P, it has been sown in 13.02 lakh hectares which is higher than 13.11 lakh hectares during corresponding period last year. In Telangana, maize has been sown in around 4.31 lakh hectares as on 10th August 2018 which is lower than 4.45 lakh hectare covered during corresponding period last year. Maize is at vegetative stage and sowing of that may be completed at the end of this month. Current sowing stands at 80% to season normal while in A.P, maize has been sown in around 0.76 lakh hectares as on 10th August 2018 which is higher than 0.64 lakh hectare covered during corresponding period last year.

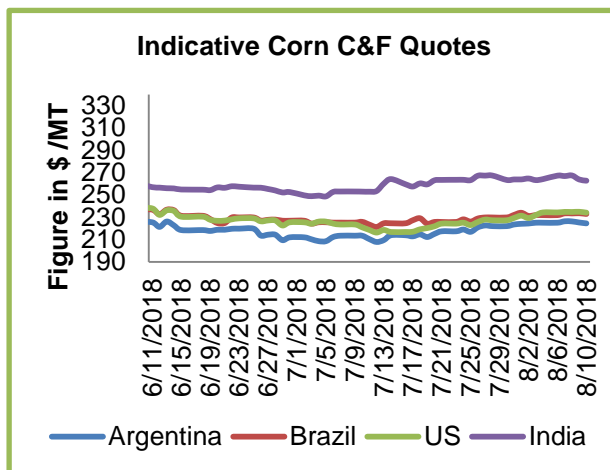
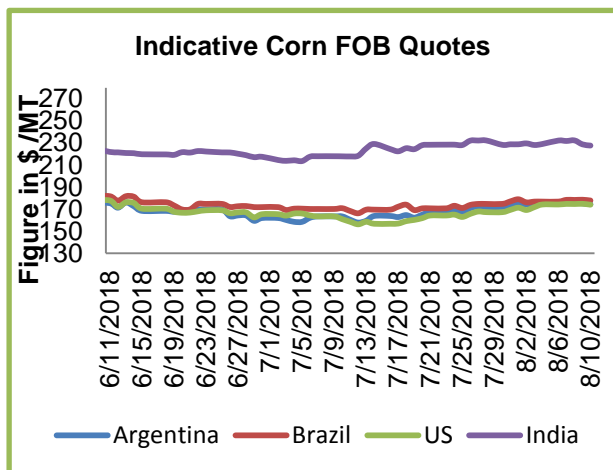
RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for September contract near 1312 levels for a target of 1326 and 1333 with a stop loss at 1304 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

Corn on CBOT fall by 4.72 USD/ MT to 140.84 USD/MT for September'18 contract compared to last week as USDA increased its global corn ending stock estimates by 3.53 MMT to 155.49 MMT compared to previous month forecast.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 68.95)				
As on 10.08.2018	Argentina	Brazil	US	India
FOB	174.51	177.90	174.10	227.70
C&F	224.51	232.90	234.10	262.70

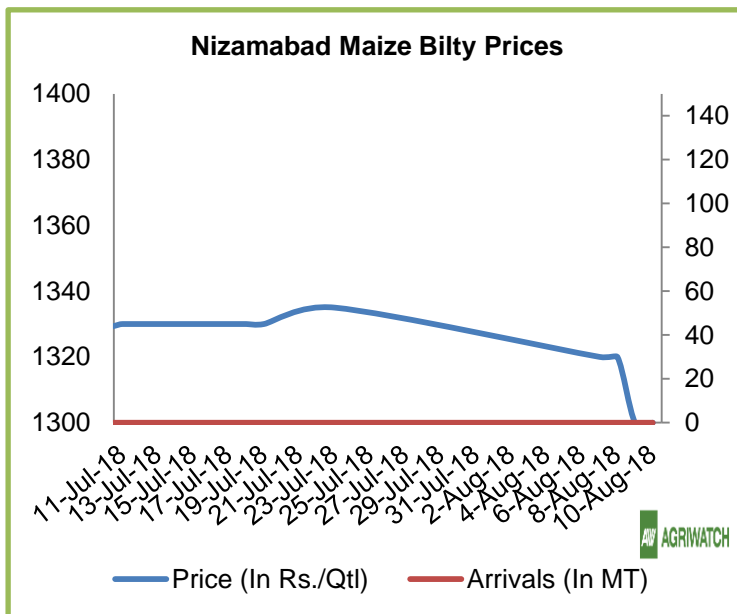
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

CURRENT MARKET DYNAMICS:

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

ANDHRA PRADESH & TELANGANA:

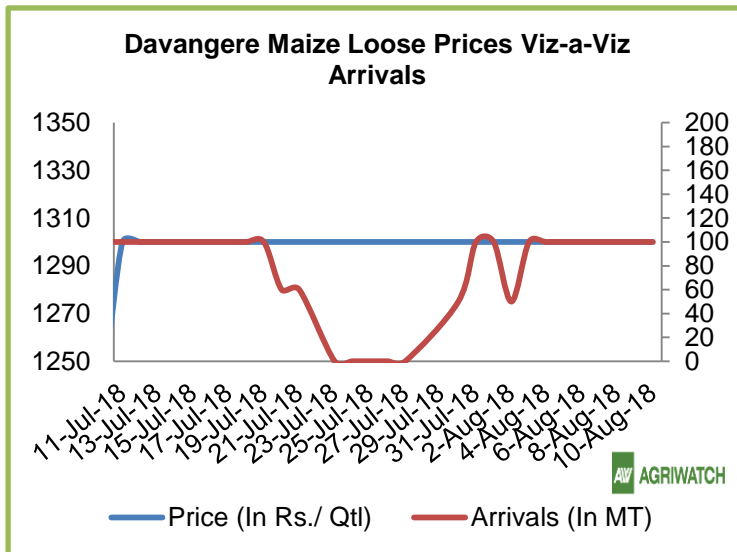
- In Nizamabad, maize prices are likely to trade steady to slightly weak as Government has released maize at lower price due to its poor quality. Now, buyers are demanding good quality material at Rs.1270 per quintal which is lower than current market price of Rs. 1300 per quintal. However, sellers are unwilling to sell good quality maize at lower price. 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.



- In A.P, maize is likely to trade steady or range bound as crop arrival pressure has decreased. We are expecting impact of increase in MSP could be seen after the end of this month.

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. If rains occur this time; would be good for maize' yield.



DOMESTIC MAIZE OUTLOOK:

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

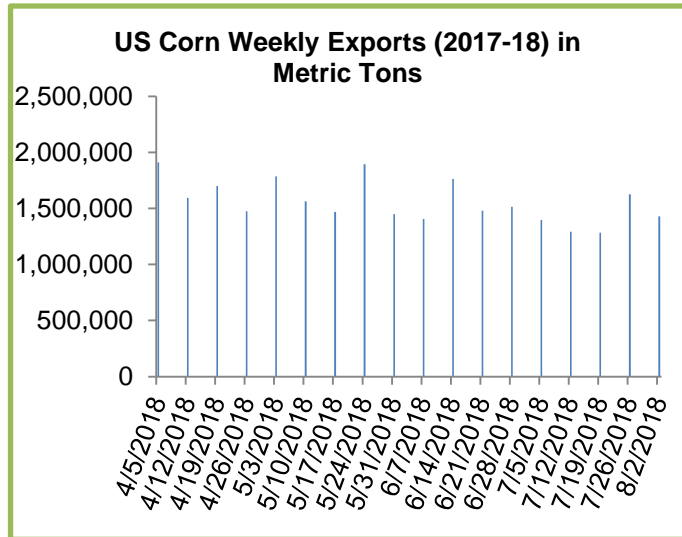


INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 52.19 MMT in the 2017-18 marketing year. At 1.43 MMT (for the period 27th July- 2nd August, 2018) US corn exports were down 12 % from the previous week, but up 2% from the previous 4-week average. The destinations were primarily to Japan (436,200 MT), Mexico (348,000 MT), South Korea (198,200 MT), Colombia (67,600 MT), and Peru (64,200 MT).
- In U.S, Corn silking is at 96% as of 5th August, 2018, which is higher by 4% compared to corresponding period last year and from the last 5 year average period. Corn dough is at 57%, which is higher by 18% compared to corresponding period last year. 71% of corn is in good to excellent condition, lower by 1% compared to last week but higher by 11% compared to corresponding period last year.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 4.72 USD/ MT to 140.84 USD/MT for September'18 contract compared to last week as USDA increased its global corn ending stock estimates by 3.53 MMT to 155.49 MMT compared to previous month forecast.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(September Contract Weekly Chart)

- Candlestick depicts range bound situation in the market.
- RSI is moving down towards neutral zone.
- Prices closed above 9 days EMAs.
- Increase in prices with higher volume and OI indicates to long build up.
- Strategy: Buy near 1312 for target 1326 and 1333 in the near term.

Strategy: Buy
Maize NCDEX (September)

Support & Resistance				
S2	S1	PCP	R1	R2
1293	1303	1318	1334	1345

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	10-Aug-18	3-Aug-18	10-Jul-18	10-Aug-17	10-Aug-16
Gulabbagh	Bilty	1200	1200	1130	1300	1525
Delhi	Hybrid Maize (U.P.)	1400	1350	1250	1300	NA
Davangere	Loose Price	1300	1300	1250	Closed	1650
Shimoga	Bilty	1370	1360	1400	1700	NA
Ranebennur	Bilty	1400	1360	1250	1720	1820
Bagalkot	Hybrid/Local	1336	1322	1316	NA	NA
Gadag	Local	1169	1440	1312	NA	1798
Nizamabad	Bilty	1300	Closed	1330	1650	1730
Khanna	Bilty	1430	1350	1340	1250	1625
Sangli	Feed	1522	1528	1498	1640	1820
Ahmadabad	Feed	1525	1450	1410	1480	1750
	Starch	1500	1425	1375	1350	1780

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	10-Aug-18	3-Aug-18	Change
Corn CBOT Prices	Sep-18	140.84	145.56	-4.72
	Dec-18	146.35	151.27	-4.92
	Mar-19	150.88	155.70	-4.82
	May-19	153.63	158.06	-4.43
	July-19	155.90	160.23	-4.33

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