



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 firm in the near term amid south feed makers demand. Maize sourced from Naugachia region of Bihar is moving towards Punjab, Rajasthan at Rs. 1450 per quintal each and U.P at Rs. 1400 per quintal. In Bihar, maize prices are likely to trade firm on the expectation of fresh demand from Bengal.

In Nizamabad, maize prices are likely to trade steady to slightly firm in the near term. In A.P too, maize is likely to trade steady or slightly firm as crop arrival pressure has decreased. We expect impact of increase in MSP could be seen soon. Due to high rainfall, yield could be impacted around 5-7%.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by 2.66% to Rs. 1461 per quintal (weekly average price). While, starch feed makers quoted it down by 3.76% to Rs. 1434 per quintal compared to last week average price.

KHARIF SOWING COVERAGE:

In India, maize has been sown in around 76.70 lakh hectares as on 24th August 2018 which is higher than 76.18 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 10.86 lakh hectare which is higher than 9.69 lakh hectare covered during corresponding period last year. In M.P, it has been sown in 13.36 lakh hectares which is higher than 13.17 lakh hectares during corresponding period last year. In Rajasthan, it has been sown in 8.71 lakh hectares which is higher than 8.56 lakh hectare covered during corresponding period last year. In Telangana, maize has been sown in around 4.47 lakh hectares as on 23rd August 2018 which is higher than 4.46 lakh hectare covered during corresponding period last year. Maize is at knee high stage to tasseling stage and sowing of maize is almost completed. Current sowing stands at 83% to season normal. In A.P, maize has been sown in around 0.90 lakh hectares as on 22nd August 2018 which is higher than 0.78 lakh hectare covered during corresponding period last year. Maize is at flowering stage to pod development and pod maturity stage and sowing of maize is almost completed. Current sowing stands at 94% to season normal. **Agriwatch estimates all India maize kharif sown area at 80.79 lakh hectares for 2018-19 which is higher than 80.58 lakh hectares compared to last year.**

RECOMMENDATION:

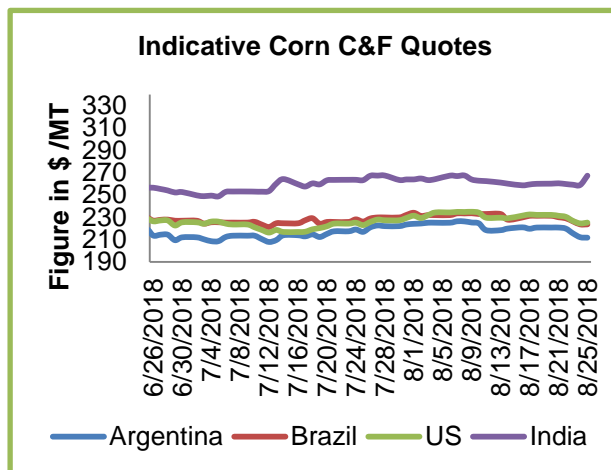
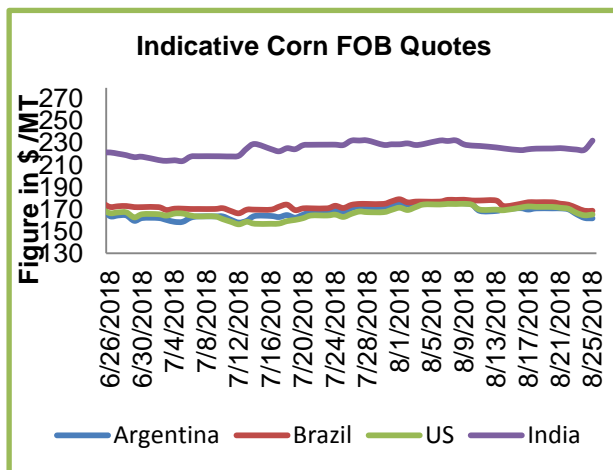
Weekly Call - : Market participants are advised to go long in Maize for September contract near 1328 levels for a target of 1340 and 1346 with a stop loss at 1321 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1450-1480 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

At 1.31 MMT (for the period 10th August- 16th August, 2018) US corn exports were up 8% from the previous week, but down 5% from the previous 4-week average.

In U.S, 68% of corn is in good to excellent condition, lower by 2% compared to last week but higher by 6% compared to corresponding period last year.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 69.78)				
As on 25.08.2018	Argentina	Brazil	US	India
FOB	161.71	168.60	165.20	232.23
C&F	211.71	223.60	225.20	267.23

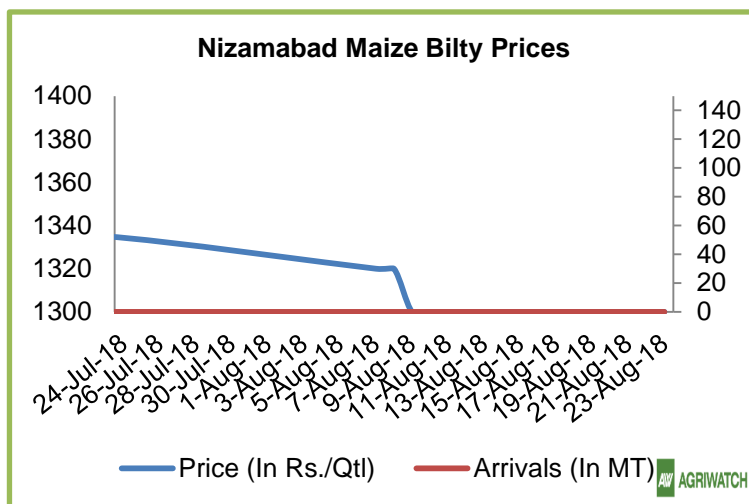
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

CURRENT MARKET DYNAMICS:

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

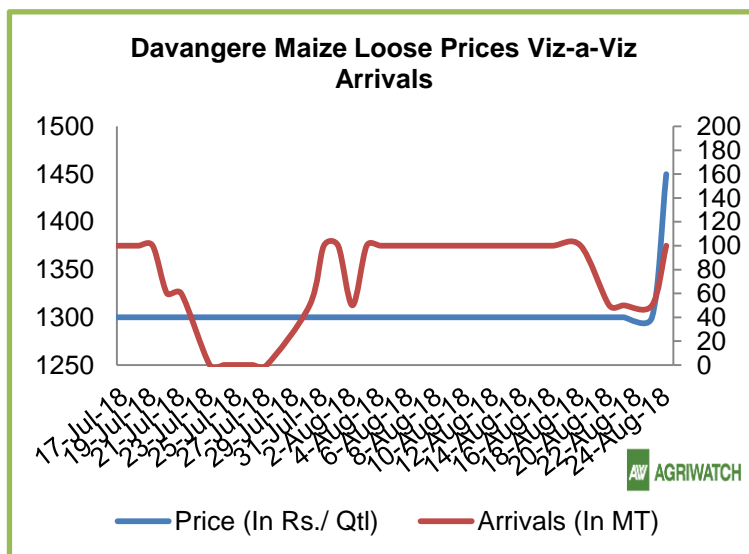
ANDHRA PRADESH & TELANGANA:

- In Nizamabad, maize prices are likely to trade steady to slightly firm in the near term. In A.P too, maize is likely to trade steady or slightly firm as crop arrival pressure has decreased. We expect impact of increase in MSP could be seen soon. Due to high rainfall, yield could be impacted around 5-7%.



KARNATAKA:

- In Davangere, maize traded firm as was expected the increase in Tamilnadu feed makers' demand. Maize is moving towards Bangalore, Tamilnadu, Chitradurga, Sangli at Rs. 1610, 1650, 1550, 1610 per quintal respectively, sourced from Karnataka and is likely to trade firm in the near term too. As per trade sources, stock of maize could be around 5 lakh quintal compared to 3 lakh quintal same time last year.



DOMESTIC MAIZE OUTLOOK:

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

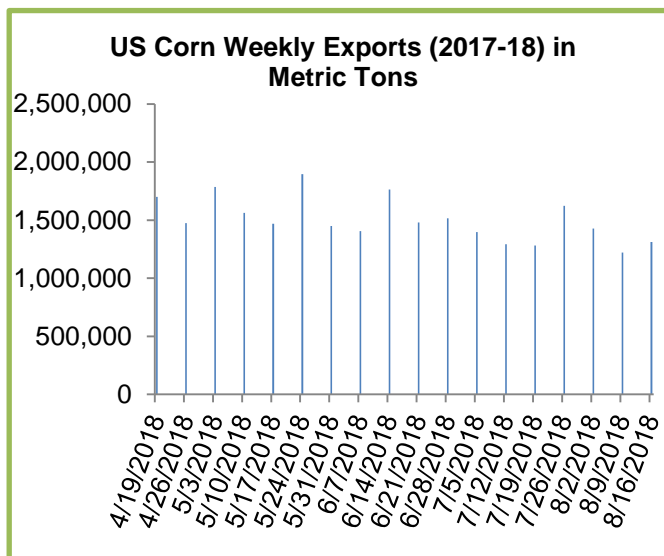


INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 54.72 MMT in the 2017-18 marketing year. At 1.31 MMT (for the period 10th August- 16th August, 2018) US corn exports were up 8% from the previous week, but down 5% from the previous 4-week average. The destinations were primarily to Japan (363,600 MT), Mexico (273,600 MT), Colombia (145,200 MT), Taiwan (90,600 MT), and Indonesia (73,500 MT).
- In U.S, Corn dough is at 85% as of 19th August, 2018, which is higher by 11% compared to corresponding period last year. Corn dented is at 44% as of 19th August, 2018, which is higher by 17% compared to corresponding period last year. 68% of corn is in good to excellent condition, lower by 2% compared to last week but higher by 6% compared to corresponding period last year.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 7.28 USD/ MT to 136.51 USD/MT for September'18 contract compared to last week as International Grains Council (IGC) increased its global corn ending stock estimates by 7 million tons to 256 million tons for 2018/19 compared to last month forecast.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(September Contract Weekly Chart)

- Candlestick depicts down in the market.
- RSI is moving in overbought region might take correction in the short run.
- Prices closed above 9 days EMAs.
- Decrease in prices with lower volume and OI indicates to consolidation.
- Strategy: Buy near 1328 for target 1340 and 1346 in the near term.

Strategy: Buy
Maize NCDEX (September)

Support & Resistance				
S2	S1	PCP	R1	R2
1312	1320	1331	1347	1357

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1450-1480 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	23-Aug-18	16-Aug-18	23-Jul-18	23-Aug-17	23-Aug-16
Gulabgagh	Bilty	1250	1200	1200	1310	1500
Delhi	Hybrid Maize (U.P.)	1350	1400	1300	1325	1600
Davangere	Loose Price	1300	1300	1300	Closed	1750
Shimoga	Bilty	1430	1400	1520	NA	1740
Ranebennur	Bilty	1360	1400	1340	NA	1710
Bagalkot	Hybrid/Local	1325	1300	1325	NA	NA
Gadag	Local	1425	1300	1109	NA	1725
Nizamabad	Bilty	1300	Closed	1335	NA	1700
Khanna	Bilty	1400	1410	1340	1300	1625
Sangli	Feed	1600	1537	1512	1662	1835
Ahmadabad	Feed	1460	1500	1440	1480	1790
	Starch	1430	1500	1450	1425	1715

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	23-Aug-18	16-Aug-18	Change
Corn CBOT Prices	Sep-18	136.51	143.79	-7.28
	Dec-18	142.12	149.50	-7.38
	Mar-19	146.94	154.13	-7.19
	May-19	149.89	156.88	-6.99
	July-19	152.16	159.15	-6.99

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