



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 and is likely to trade steady to firm in the near term too amid high feed makers demand. In Bihar, maize is trading firm due to high demand from Punjab, Haryana and is likely to remain firm on expectations 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.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by 0.14% to Rs. 1463 per quintal (weekly average price). While, starch feed makers quoted it firm by 2.51% to Rs. 1470 per quintal compared to last week average price.

KHARIF SOWING COVERAGE:

Across India, maize has been sown in 77.83 lakh hectares as on 31st August 2018 which is lower than 77.94 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 11.41 lakh hectare which is higher than 10.98 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 4.60 lakh hectares as on 29th August 2018 which is higher than 4.51 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 86% to season normal. There is report of 'Fall army worm' pest attack in the Nizamabad, Kamareddy, Sangareddy, Medak, Siddipet, Gadwal, Karimnagar and Jagityal districts. In A.P, maize has been sown in around 0.93 lakh hectares as on 29th August 2018 which is higher than 0.83 lakh hectare covered during corresponding period last year. Maize is at pod development to pod maturity and harvesting stages. Current sowing stands at 98% 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:

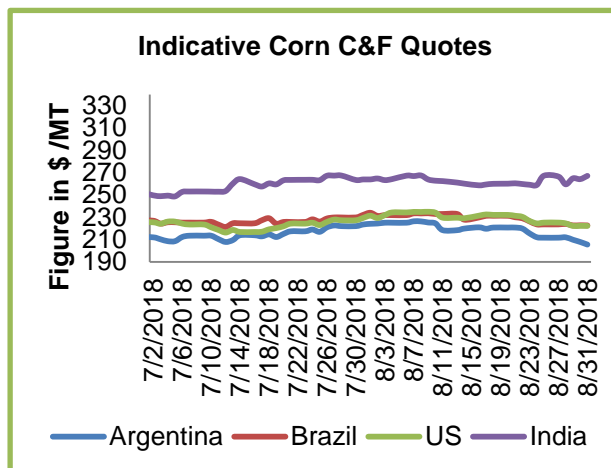
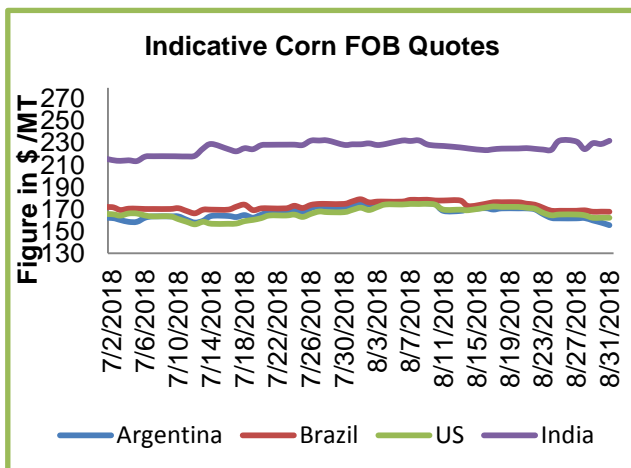
Weekly Call - : Market participants are advised to go short in Maize for September contract near 1372 levels for a target of 1358 and 1351 with a stop loss at 1380 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1430-1460 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

At 1.34 MMT (for the period 17th August- 23rd August, 2018) US corn exports were up 2% from the previous week, but down 3% from the previous 4-week average.

In U.S, 68% of corn is in good to excellent condition, same 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. 70.92)				
As on 31.08.2018	Argentina	Brazil	US	India
FOB	155.51	167.70	162.20	232.06
C&F	205.51	222.70	222.20	267.06

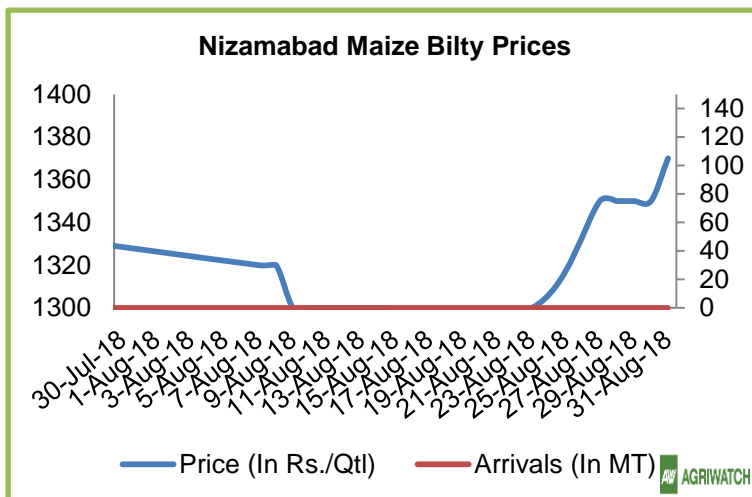
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

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:

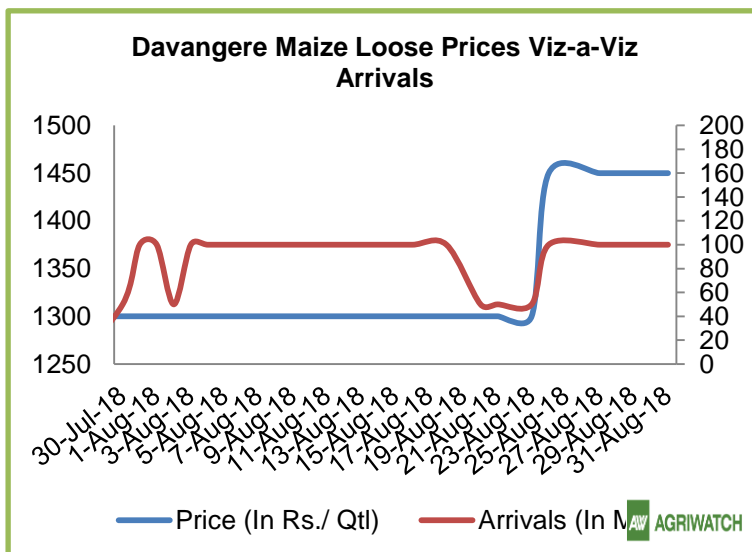
- In Nizamabad, maize prices are likely to trade steady to slightly firm in the near term. In A.P too, maize is likely to trade steady or slightly firm as crop arrival pressure has decreased. We expect impact of increase in MSP could be seen soon. As per trade sources, stock of maize with private traders and institutions in Nizamabad could be around 30,000 MT which is almost same compared to corresponding period last year.



- As per feedback received from market source, around 1,14,340 MT of maize quantity has been put for bidding in various districts of Telangana and the average bid price of all slots is 14280 per MT. As there would be supply pressure in the market which could keep market slightly down by Rs. 5-10 per quintal only for few days. Overall, market is likely to trade firm during the month of September.

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 compared to 3 lakh quintal same time last year.

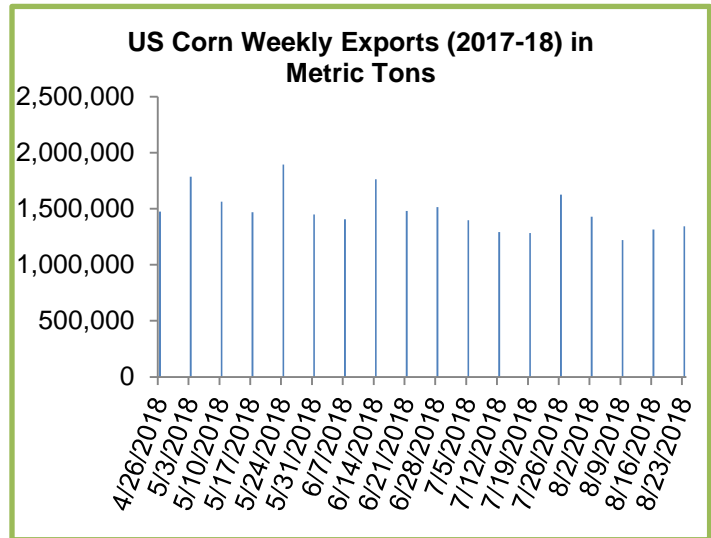


DOMESTIC MAIZE OUTLOOK:

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 56 MMT in the 2017-18 marketing year. At 1.34 MMT (for the period 17th August-23rd August, 2018) US corn exports were up 2% from the previous week, but down 3% from the previous 4-week average. The destinations were primarily to Japan (436,800 MT), Mexico (232,600 MT), Taiwan (155,600 MT), Peru (143,900 MT), and South Korea (129,200 MT).
- In U.S, Corn dough is at 92% as of 26th August, 2018, which is higher by 7% compared to corresponding period last year. Crop has matured 10% as of 26th August, 2018, which is higher by 5% compared to corresponding period last year. 68% of corn is in good to excellent condition, same compared to last week but higher by 6% compared to corresponding period last year.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 0.98 USD/ MT to 138.18 USD/MT for September'18 contract compared to last week due to good export demand for U.S corn.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(September Contract Weekly Chart)

- Candlestick depicts gain in the market.
- RSI is moving in overbought region might take correction in the short run.
- Prices closed above 9 days EMAs.
- Increase in prices with lower OI indicates to short covering.
- Strategy: Sell near 1372 for target 1358 and 1351 in the near term.

Strategy: Sell
Maize NCDEX (September)

Support & Resistance				
S2	S1	PCP	R1	R2
1318	1340	1362	1380	1392

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1430-1460 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	31-Aug-18	24-Aug-18	31-Jul-18	31-Aug-17	31-Aug-16
Gulabgh	Bilty	1325	1250	1200	1325	NR
Delhi	Hybrid Maize (U.P.)	1350	1350	1350	1325	1550
Davangere	Loose Price	1450	1450	1300	1550	1750
Shimoga	Bilty	1480	1430	1360	1620	NA
Ranebennur	Bilty	1410	1375	1450	NA	1800
Bagalkot	Hybrid/Local	NA	1325	1320	1455	NA
Gadag	Local	NA	NA	1444	NA	NA
Nizamabad	Bilty	1370	NA	Closed	NA	1750
Khanna	Bilty	1355	1360	1350	1310	1610
Sangli	Feed	1607	1602	1531	1624	1900
Ahmadabad	Feed	1490	1460	1460	1460	1780
	Starch	1550	1430	1460	1470	1700

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	31-Aug-18	24-Aug-18	Change
Corn CBOT Prices	Sep-18	138.18	137.20	0.98
	Dec-18	143.69	142.81	0.89
	Mar-19	148.52	147.63	0.89
	May-19	151.47	150.49	0.98
	July-19	153.73	152.65	1.08

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