

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. As per trade source, rake of maize, sourced from Bihar is loading at Rs. 1350 per quintal for Bangladesh. In Bihar, feed makers' demand of Bangladesh could support the maize prices. In A.P and Nizamabad, maize prices are likely to trade steady to slightly firm in the near term amid feed makers demand. In Nizamabad, poultry feed makers are buying maize at Rs. 1400 per quintal while local starch feed makers are buying at Rs. 1250 per quintal. Maize is moving towards Hyderabad at Rs. 1470-1480 per quintal.

In Karnataka, new crop arrivals have started in hassan, mysore and periyapatna districts which are lower in quantity and contains 25-26% moisture.

KHARIF SOWING COVERAGE:

Across India, maize has been sown in 78.61 lakh hectares as on 7th September 2018 which is lower than 78.70 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 11.59 lakh hectare which is higher than 11.25 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 5th September 2018 which is higher than 4.49 lakh hectare covered during corresponding period last year. Maize is at tasseling stage and sowing of maize is completed. Current sowing stands at 86% to season normal. There is report of Fall army warm pest attack in the Karimnagar, Siricilla, Jagitil, Khammam, Nizambad, Kamareddy, Mahabubnagar, Nagarkurnool, Gadwal, Medak, Sangareddy, Siddipet, Warangal, Jangaom, Mahabubabad and Vikarabad districts. In A.P, maize has been sown in around 0.95 lakh hectares as on 5th September 2018 which is higher than 0.90 lakh hectare covered during corresponding period last year. Maize is at pod development to pod maturity and harvesting stage. Current sowing stands at 99% to season normal.

RECOMMENDATION:

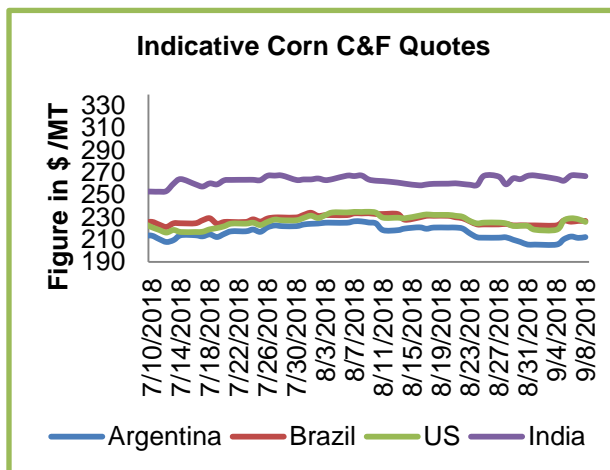
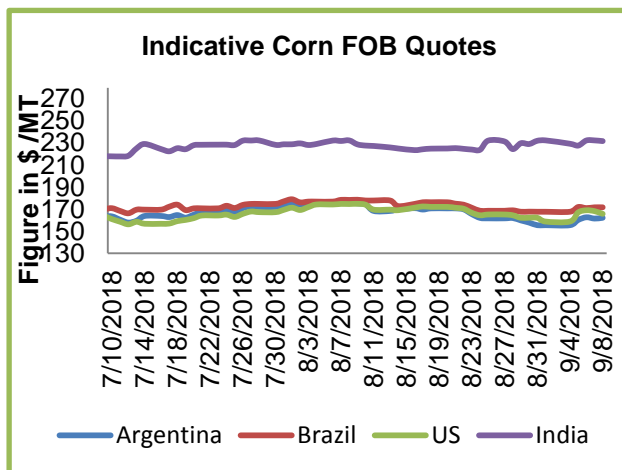
Weekly Call - : Market participants are advised to go short in Maize for September contract near 1348 levels for a target of 1360 and 1366 with a stop loss at 1341 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1430-1460 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

At 1.21 MMT (for the period 24th August- 30th August, 2018) US corn exports were down 10% from the previous week and 8% from the previous 4-week average.

In U.S, 67% of corn is in good to excellent condition, lower by 1% 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. 72.10)				
As on 08.09.2018	Argentina	Brazil	US	India
FOB	162.20	171.70	165.79	231.76
C&F	212.20	226.70	225.79	266.76

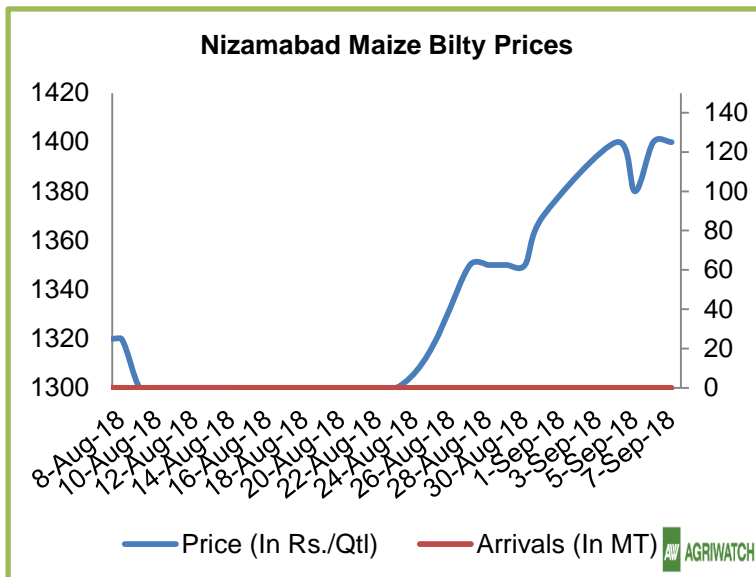
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

CURRENT MARKET DYNAMICS:

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

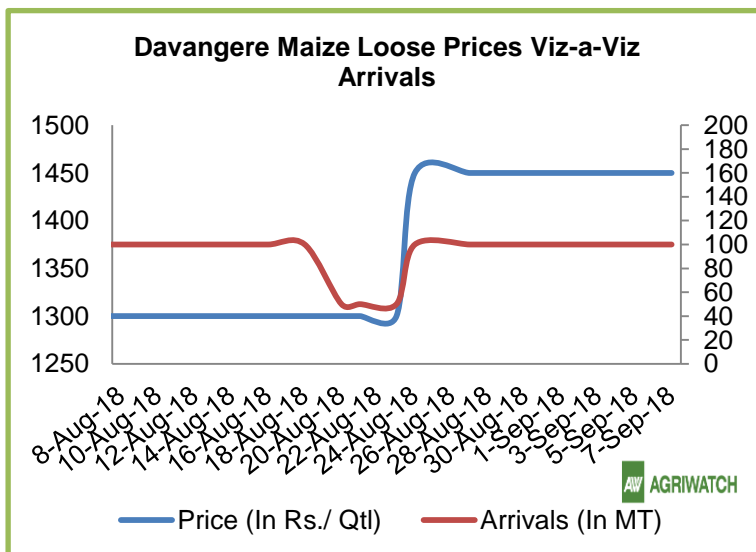
ANDHRA PRADESH & TELANGANA:

- 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 amid feed makers demand. In Nizamabad, poultry feed makers are buying maize at Rs. 1400 per quintal while local starch feed makers are buying at Rs. 1250 per quintal. Maize is moving towards Hyderabad at Rs. 1470-1480 per quintal. As per trade sources, in Nizamabad, stock of maize with private traders and institutions in Nizamabad could be around 25,000 MT which is almost same compared to corresponding period last year.



KARNATAKA:

- In Karnataka, new crop arrivals have started in hassan, mysore and periyapatna districts which are lower in quantity and contains 25-26% moisture.
- 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 in corresponding period last year.

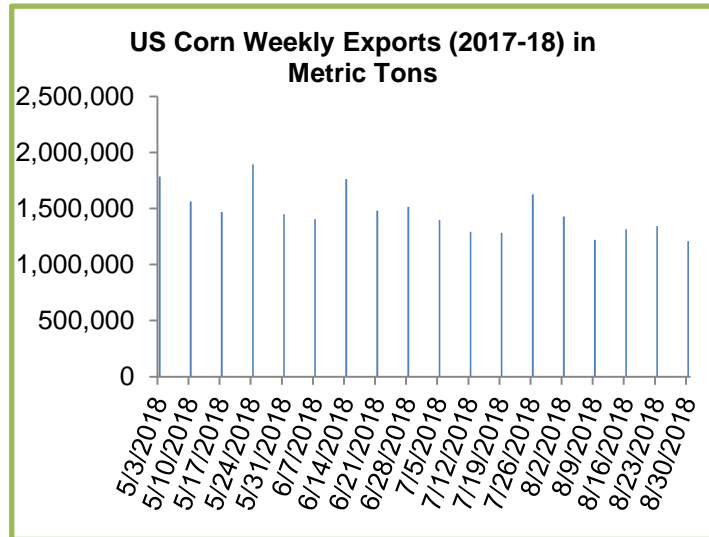


DOMESTIC MAIZE OUTLOOK:

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 57.21 MMT in the 2017-18 marketing year. At 1.21 MMT (for the period 24th August- 30th August, 2018) US corn exports were down 10% from the previous week and 8% from the previous 4-week average. The destinations were primarily to Mexico (436,200 MT), Japan (244,300 MT), Taiwan (87,900 MT), Saudi Arabia (70,100 MT), and South Korea (68,900 MT).
- In U.S, Corn dough is at 96% as of 2nd September, 2018, which is higher by 5% compared to corresponding period last year. Crop has matured 22% as of 2nd September, 2018, which is higher by 11% compared to corresponding period last year. 67% of corn is in good to excellent condition, lower by 1% compared to last week but higher by 6% compared to corresponding period last year.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT rose by 0.99 USD/ MT to 139.17 USD/MT for September'18 contract compared to last week. However, it is likely to trade firm in the near term on the expectation of increase in demand for U.S corn.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(September Contract Weekly Chart)

- Candlestick depicts up trend in the market.
- RSI is moving in overbought region.
- Prices closed above 9 and 18 days EMAs.
- Decrease in prices with lower volume and OI indicates to consolidation.
- Strategy: Buy near 1348 for target 1360 and 1366 in the near term.

Strategy: Buy

Maize NCDEX (September)

Support & Resistance				
S2	S1	PCP	R1	R2
1322	1334	1345	1367	1382

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	6-Sep-18	30-Aug-18	6-Aug-18	6-Sep-17	6-Sep-16
Gulabbagh	Bilty	1350	1300	1225	1300	1530
Delhi	Hybrid Maize (U.P.)	1350	1350	1400	1325	1550
Davangere	Loose Price	1450	1450	1300	1550	NR
Shimoga	Bilty	1450	1480	1370	1500	1800
Ranebennur	Bilty	NA	1410	1400	1500	1880
Bagalkot	Hybrid/Local	NA	NA	1319	NA	NA
Gadag	Local	1106	NA	1440	NA	NA
Nizamabad	Bilty	1400	1350	1320	NA	1750
Khanna	Bilty	1420	1350	1350	1350	1620
Sangli	Feed	1619	1597	1522	1555	1880
Ahmadabad	Feed	NR	1490	1500	1460	1800
	Starch	NR	1550	1500	1440	1740

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	6-Sep-18	30-Aug-18	Change
Corn CBOT Prices	Sep-18	139.17	138.18	0.99
	Dec-18	144.19	143.69	0.50
	Mar-19	148.91	148.52	0.39
	May-19	151.86	151.47	0.39
	July-19	154.32	153.73	0.59

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