



Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Kharif Sowing Coverage
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ Export Parity Trend
- ❖ Export Break Up By Major Countries
- ❖ Business from various sourcing centers during the season till date
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Futures Market Analysis: NCDEX MAIZE
- ❖ Davangere Market Analysis
- ❖ Annexure

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to range bound during the week. However, it is likely to trade steady to firm in the near term amid high feed makers demand. As per trade sources, rake of maize sourced from Bihar is loading at Rs. 1330-1350 per quintal for Bangladesh. Maize is likely to trade firm during the month of September due to feed makers' demand of Bangladesh. Maize is moving towards U.P at Rs. 1400 per quintal (Delivered price), sourced from naugachia region of Bihar.

In Karnataka, small arrivals of new crop have started in Hassan, Mysore and Periyapatna districts. The arrivals contain 30-35% moisture. While, in Davangere region, new crop is expected to arrive at the end of September month. In Nizamabad too, small arrivals of early new crop have started; contain 20-22% moisture.

KHARIF SOWING COVERAGE:

Across India, maize has been sown in 79.14 lakh hectares as on 14th September 2018 which is slightly higher than 79.02 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 13.61 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. However, In Maharashtra, it has been sown in 8.29 lakh hectares which is lower than 9.11 lakh hectares covered during corresponding period last year. In A.P, maize has been sown in around 0.97 lakh hectares as on 12th September 2018 which is higher than 0.94 lakh hectare covered during corresponding period last year. Maize is at pod development to pod maturity and harvesting stage. Current sowing stands at 101% to season normal.

RECOMMENDATION:

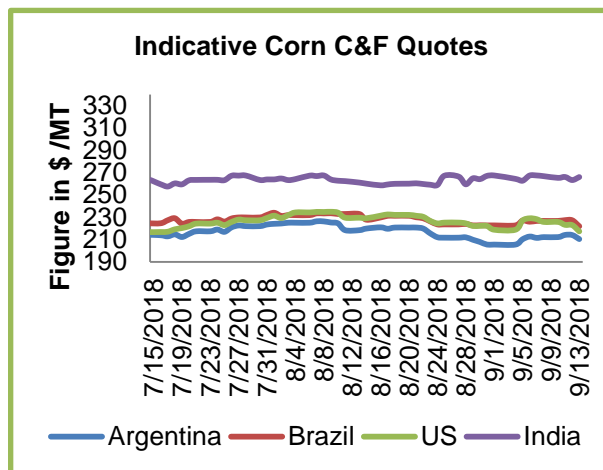
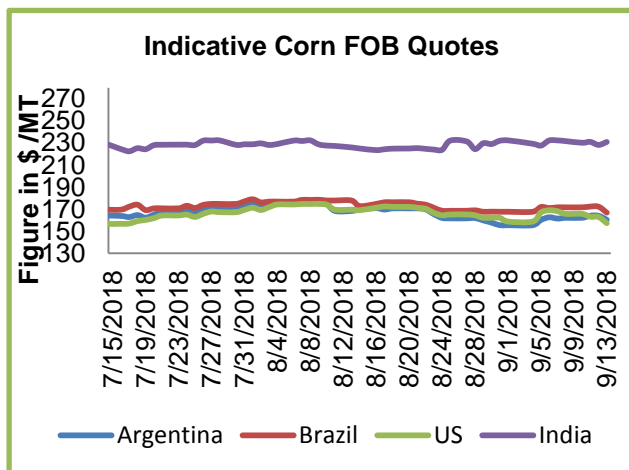
Weekly Call - : Market participants are advised to go short in Maize for October contract near 1364 levels for a target of 1354 and 1349 with a stop loss at 1370 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1430-1460 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

USDA increased its global corn ending stocks estimates by 1.54 MMT to 157.03 MMT for 2018/19 compared to last month due to increase in global corn production estimates by 7.95 MMT to 1069 MMT for 2018/19.

In U.S, 68% of corn is in good to excellent condition, higher by 1% compared to last week and 7% compared to corresponding period last year. 5% crop of corn has harvested which is same compared to corresponding period last year.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 71.91)				
As on 13.09.2018	Argentina	Brazil	US	India
FOB	160.43	166.90	157.35	230.97
C&F	210.43	221.90	217.35	265.97

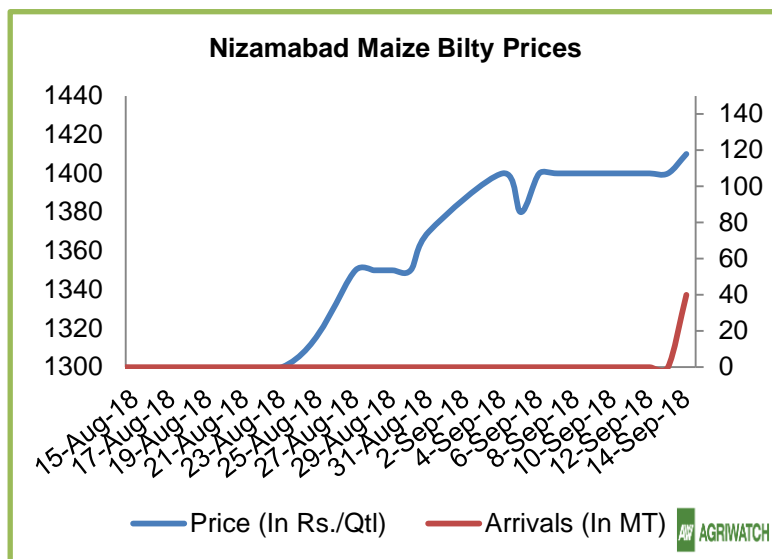
As depicted by the above data, there is parity for Indian maize as gap of prices between India and other exporting countries has narrowed down.

CURRENT MARKET DYNAMICS:

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

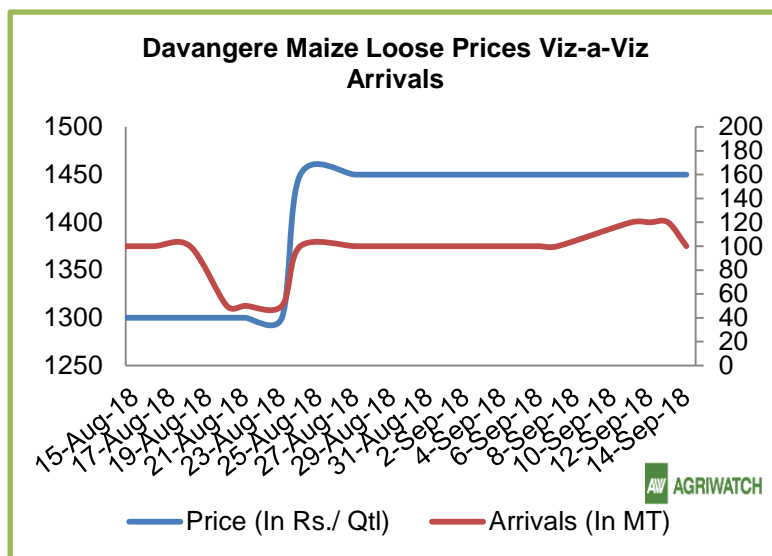
ANDHRA PRADESH & TELANGANA:

- 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. 1410 per quintal while local starch feed makers are buying at Rs. 1310 per quintal. Maize is moving towards Hyderabad at Rs. 1530-1540 per quintal. As per trade sources, In Nizamabad, small arrivals of early new crop have started; contain 20-22% moisture.



KARNATAKA:

- In Karnataka, small arrivals of new crop have started in Hassan, Mysore and Periyapatna districts. The arrivals contain 30-35% moisture. While, in Davangere region, new crop is expected to arrive at the end of September month. As per trade source, stock of maize could be around 4 lakh quintal which is same compared to corresponding period last year.

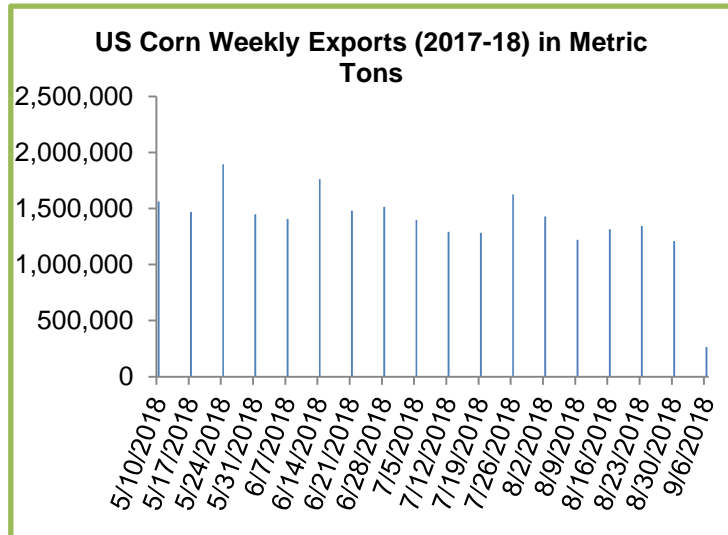


DOMESTIC MAIZE OUTLOOK:

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 57.47 MMT in the 2017-18 marketing year; up by 4% from the previous year's total of 55.39 MMT. The primary destinations were Colombia (104,900 MT), Mexico (50,100 MT), Peru (45,200 MT), Guatemala (25,400 MT), and El Salvador (11,700 MT). During the week, exports for September 1-6 totalled 727,200 MT in the 2018-19 marketing year, the primary destinations were Japan (243,700 MT) and Mexico (226,700 MT).



- In U.S, Crop of corn has matured 35% as of 9th September, 2018, which is higher by 15% compared to corresponding period last year. 86% crop of corn has dented as of 9th September, 2018 which is higher by 13% compared to corresponding period last year. 68% of corn is in good to excellent condition, higher by 1% compared to last week and 7% compared to corresponding period last year. 5% crop of corn has harvested which is same compared to corresponding period last year.
- USDA increased its global corn ending stocks estimates by 1.54 MMT to 157.03 MMT for 2018/19 compared to last month due to increase in global corn production estimates by 7.95 MMT to 1069 MMT for 2018/19. Increase in global corn ending estimates likely to put pressure on international corn market.

INTERNATIONAL CORN OUTLOOK:

Corn on CBOT fall by 6.79 USD/ MT to 132.38 USD/MT for September'18 contract compared to last week as USDA increased its corn ending stock estimates for U.S by 2.29 MMT to 45.06 MMT for 2018/19 compared to last month forecast due to increase in production estimates by 6.10 MMT to 376.62 MMT for 2018/19.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(October Contract Weekly Chart)

- Candlestick depicts down in the market.
- RSI is moving down in neutral region.
- Prices closed above 9 days EMAs.
- Decrease in prices with higher volume and OI indicates to short build up.
- Strategy: Sell near 1364 for target 1354 and 1349 in the near term.

Strategy: Sell
Maize NCDEX (October)

Support & Resistance				
S2	S1	PCP	R1	R2
1335	1347	1360	1372	1385

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)

Maize(Corn)Weekly Prices:						
Market	Grade	13-Sep-18	6-Sep-18	13-Aug-18	13-Sep-17	13-Sep-16
Gulabbagh	Bilty	1330	1350	1200	1250	1530
Delhi	Hybrid Maize (U.P.)	1400	1350	1400	1300	1500
Davangere	Loose Price	1450	1450	1300	1400	1800
Shimoga	Bilty	NA	1450	1360	1380	1850
Ranebennur	Bilty	NA	1400	NA	1535	1850
Bagalkot	Hybrid/Local	NA	NA	1368	1401	1850
Gadag	Local	NA	NA	NA	1269	NA
Nizamabad	Bilty	1400	1400	1300	1475	1780
Khanna	Bilty	1390	1420	1420	1310	1560
Sangli	Feed	1606	1619	1526	1470	1900
Ahmedabad	Feed	1540	NR	1500	1425	1750
	Starch	1550	NR	1500	1380	1700

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	13-Sep-18	06-Sep-18	Change
Corn CBOT Prices	Sep-18	132.38	139.17	-6.79
	Dec-18	137.99	144.19	-6.20
	Mar-19	142.81	148.91	-6.10
	May-19	146.15	151.86	-5.71
	July-19	148.62	154.32	-5.70

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