

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

More or less steady sentiments witnessed in major maize cash markets and are likely to trade steady to slightly firm in the near term amid high demand from feed makers. New crop arrivals have started in A.P, Karnataka, and Maharashtra and Rajasthan region. New crop arrivals are likely to put little bit pressure on market sentiments. Currently, in each state, prices are varying as per the quality parameter like moisture which is another discounting factor; In Chhindwara region of M.P, maize crop contains moisture up to 14.5% while in Davangere region of Karnataka and Kota region of Rajasthan, it contains moisture up to 20%. On the other hand; industrial feed makers and stockists demand amid Government procurement in Telangana and Bhavantar Yojna in M.P could be supportive to keep maize at steady to slightly firm level. In Karnataka, trade sources revealed that there is less chance of procurement by Government and the confirmation of that is expected after 20-30 days. In Telangana, government is actively procuring maize; hence arrivals in open markets are low. Most of the material arriving in open market is of low quality that falls outside the parameters fixed by the government for procurement.

TRADE SCENARIO

From the trade point of view, In Nizamabad, poultry feed makers are buying maize at Rs. 1470 per quintal while local starch feed makers are buying at Rs. 1430 per quintal. Maize is moving towards Hyderabad at Rs. 1650 per quintal. Meanwhile, it is moving towards Haryana and Punjab at Rs. 1650 per quintal each (Delivered price), sourced from Bihar. As per trade source, traders from Vijayawada region of A.P. are looking the opportunity to buy it from M.P. As in M.P, forward contract are already being made for the month of November'18 at Rs. 1500 per quintal for the North India which could support the M.P market.

RECOMMENDATION:

Weekly Call - : Market participants are advised to wait as there is no trade volume on the NCDEX platform. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1420-1450 per quintal for the week.

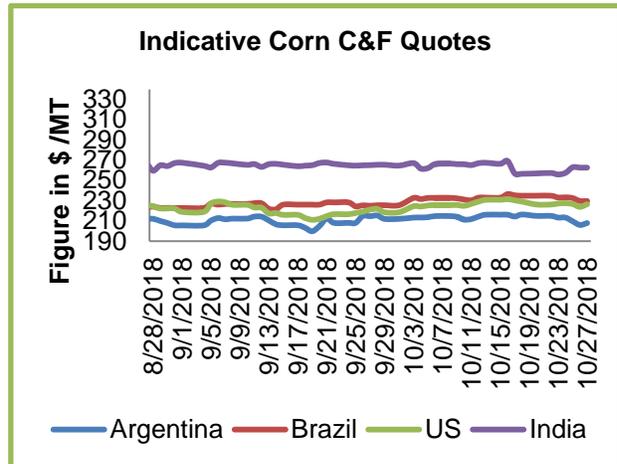
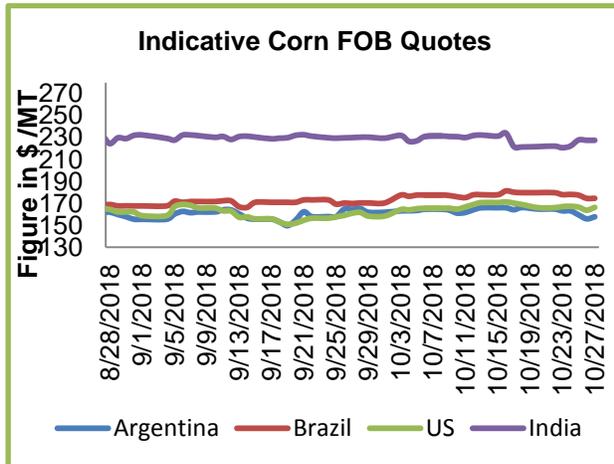
INTERNATIONAL CORN MARKET SUMMARY

Corn on CBOT rose by 0.30 USD/ MT to 144.78 USD/MT for December'18 contract compared to last week due to increase in export demand for U.S corn.

At 1.21 MMT (for the period 12th October- 18th October, 2018) US corn exports were firm by 10.25% from the previous week; mainly for the destinations like Mexico (405,000 MT), Colombia (201,500 MT), Japan (174,200 MT), Taiwan (86,200 MT), and South Korea (66,100 MT).

In U.S, 49% crop of corn has been harvested as of 21st October, 2018, which is higher by 12% compared to corresponding period last year.68% of corn is in good to excellent condition, same compared to last week but up by 2% compared to corresponding period last year.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 73.11)				
As on 27.10.2018	Argentina	Brazil	US	India
FOB	157.78	174.60	166.40	227.56
C&F	207.78	229.60	226.40	262.56

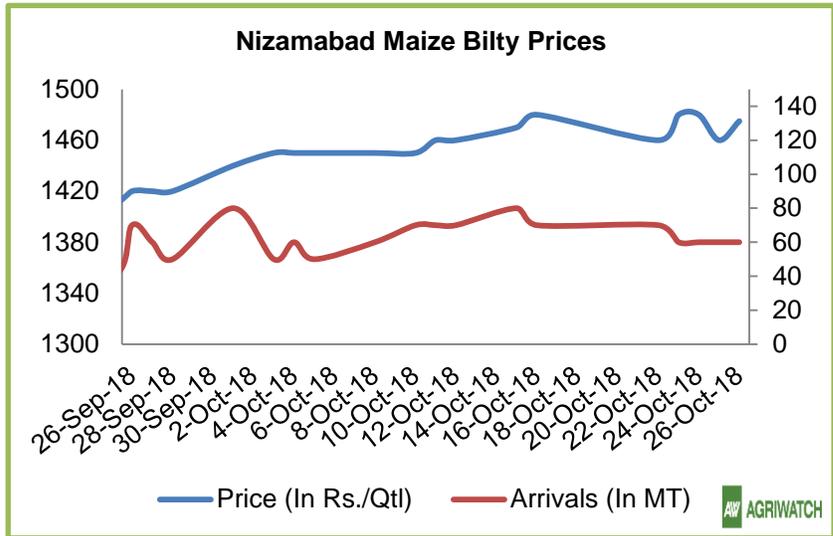
As depicted by the above data, there is no parity for Indian maize as gap of prices between India and other exporting countries has broadened.

CURRENT MARKET DYNAMICS:

During the week under review, steady sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH & TELANGANA:

- In Telangana, government is actively procuring maize; hence arrivals in open markets are low. Most of the material arriving in open market is of low quality that falls outside the parameters fixed by the government for procurement.
- In A.P, maize crop arrivals have started in Rayalseema, Vizianagaram and Godawari districts.

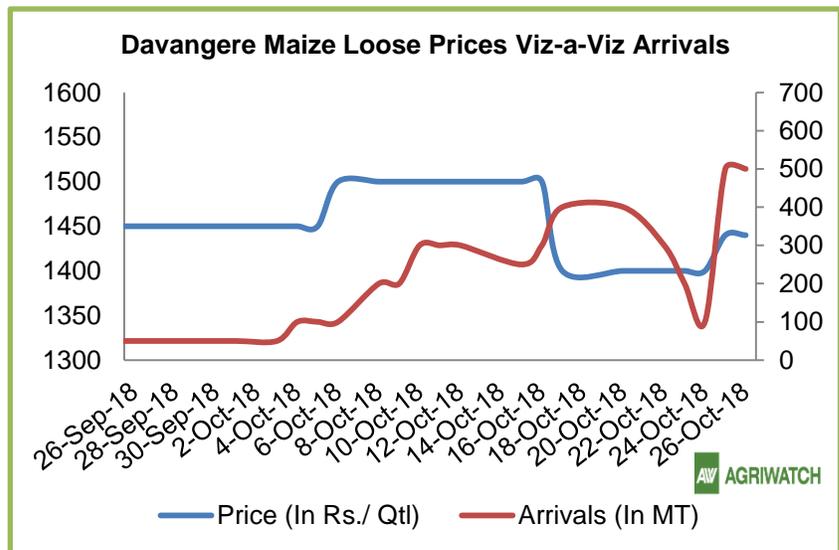


Maize crop contains moisture up to 17%.

- In Nizamabad, poultry feed makers are buying maize at Rs. 1470 per quintal while local starch feed makers are buying at Rs. 1430 per quintal. Maize is moving towards Hyderabad at Rs. 1650 per quintal. As per trade sources, in Nizamabad, arrival contain moisture up to 17% and grain is damaged around 8-10%.

KARNATAKA:

- In Davangere region of Karnataka, trade sources revealed that there is less chance of procurement by Government. The confirmation is expected after 20-30 days.

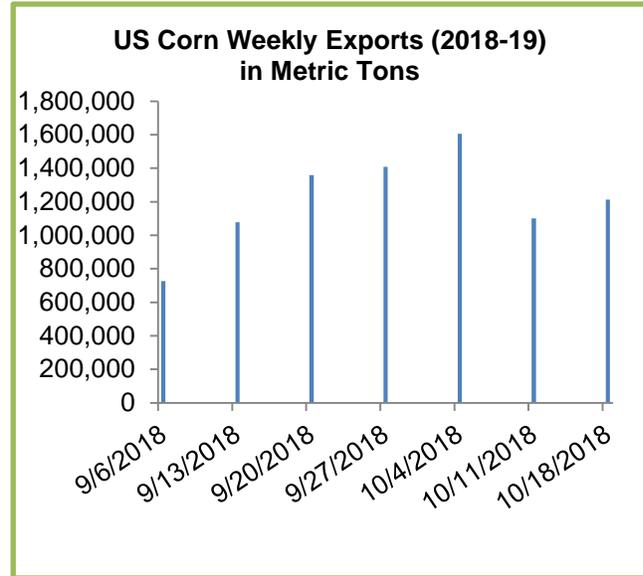


DOMESTIC MAIZE OUTLOOK:

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

INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 8.49 MMT in the 2018-19 marketing year. At 1.21 MMT (for the period 12th October-18th October, 2018) US corn exports were firm by 10.25% from the previous week; mainly for the destinations like to Mexico (405,000 MT), Colombia (201,500 MT), Japan (174,200 MT), Taiwan (86,200 MT), and South Korea (66,100 MT).
- In U.S, 49% crop of corn has been harvested as of 21st October, 2018, which is higher by 12% compared to corresponding period last year. 68% of corn is in good to excellent condition, same compared to last week but up by 2% compared to corresponding period last year.



INTERNATIONAL CORN OUTLOOK:

Corn on CBOT rose by 0.30 USD/ MT to 144.78 USD/MT for December'18 contract compared to last week due to increase in export demand for U.S corn.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(November Contract Weekly Chart)

- Doji candlestick depicts indecision situation in the market.
- Prices closed above 9 days EMAs.
- But, volumes are not supporting to the prices.
- Strategy: Market Participants are advised to wait.

Strategy: Wait

Maize NCDEX (November)

Support & Resistance				
S2	S1	PCP	R1	R2
1503	1515	1526	1543	1561

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1420-1450 per quintal for the week.

**ANNEXURE
MAIZE SPOT MARKET PRICES (RS. /QUINTAL)**

Maize(Corn)Weekly Prices:						
Market	Grade	25-Oct-18	18-Oct-18	25-Sep-18	25-Oct-17	25-Oct-16
Gulabghagh	Bilty	NR	NR	1350	NA	1525
Delhi	Hybrid Maize (U.P.)	1500	1500	1400	1310	1500
Davangere	Loose Price	1440	1400	1450	1300	1400
Shimoga	Bilty	1460	1490	NA	1320	NA
Ranebennur	Bilty	1600	NA	1400	1410	1490
Bagalkot	Hybrid/Local	1429	NA	1350	1289	1346
Gadag	Local	1395	1366	NA	NA	1357
Nizamabad	Bilty	1460	Closed	1410	1400	1450
Khanna	Bilty	NA	NA	NA	1290	1550
Sangli	Feed	1523	1507	1591	1380	1400
Ahmedabad	Feed	1550	1575	1540	1380	1420
	Starch	1570	1575	1500	1350	1375

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	25-Oct-18	18-Oct-18	Change
Corn CBOT Prices	Dec-18	144.78	144.48	0.30
	Mar-19	149.6	149.4	0.20
	May-19	152.75	152.36	0.39
	Jul-19	155.01	154.62	0.39
	Sep-19	155.9	155.31	0.59

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