

Executive Summary:

- With increasing price in domestic cash market and artificially created tight supply, Government may allow corn import once again to curb the firm trend in the market. However, it may be conditional like non GM corn. There is still uncertainty over availability of non-gm crop in global market. There is a problem in Brazil at production front regarding non gm crop.
- Meanwhile, PEC has received offer from one firm to buy/import 50,000 yellow corn. The lowest offer was \$254.55 /MT c&f for shipment to the Adani Tuna terminal in the port of Kandla followed by \$255.30 /MT c&f for shipment to other terminals in Kandla submitted by the same trading house.
- In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 75 per quintal to Rs.1800 per quintal. Starch feed makers quoted it firm by Rs. 20 per quintal to Rs. 1770 per quintal.
- Maize sourced from Davangere moved towards Bangalore, Nammakal, and Chennai at Rs. 1900, Rs.1920, Rs. 1920 per quintal respectively. Market is expected to trade firm in the near term.
- In A.P, maize is likely to trade firm amid good demand and subdued supply side. In Nizamabad; stock of maize could be around 17000 MT which was 25000 MT compared to last year.
- As per IBIS data, India exported 4500MT maize during the week ended 12th Jun'16 against 6192 MT previous week ending 5th Jun'16. Maize has been exported at an average FoB of \$215.35/ MT. Indian maize is exported mainly to Nepal followed by Malaysia mainly through Raxul LCS followed by JNPT Sea.
- The Cabinet Committee on Economic Affairs has given its approval to increase the MSP of Maize by Rs. 40 per quintal to Rs. 1365 per quintal for kharif season of 2016-17. The prices would be effective from 1.10.2016.

International Market Commentary:

- Corn prices on CBOT down yesterday by 9.84 USD/MT to 156 USD/MT for July contracts on positive U.S crop condition. In U.S, 75% crop of corn is in good to excellent condition unchanged from the last week.
- Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 46.5% in the April'16 from 45.1% during the same month last year as users' reliance on sorghum and barley decreased.

Outlook and Recommendation: Maize cash market is likely to trade firm in the near term.

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close
July-16	+23.00	1613.00	1619.00	1594.00	1618.00
Augst-16	+24.00	1645.00	1651.00	1624.00	1651.00
Sep-16	+23.00	1668.00	1682.00	1653.00	1680.00

*Prices are taken at 5:00 p.m.

Contract	Volume	Change	OI	Change
July-16	9230	-4160	29620	-2470
Augst-16	6490	-940	17520	3230
Sep-16	1100	260	1270	570

*Volume and OI are taken at 5:00 p.m.

Spread	July-16	Aug-16	Sep-16
Spot	-68		
July-16		33	-
Augst-16			29

*Basis –Gulabbagh (Spread calculated as at 5:00 p.m. price)

Stocks	Demat	In-Process	Total	FED
	21.June.16	21.June.16	21.June.16	20.June.16
Gulabbagh	5406	50	5456	5406
Davangere	59	0	59	59
Nizamabad	-	-	-	-
New Delhi	-	-	-	-
Sangli	31	0	31	31
Jalgaon	-	-	-	-

Spot Prices at Key Markets

	Grade	Prices (Rs./qtl)			Arrivals in Quintal		
		22-Jun-16	21-Jun-16	Change	22-Jun-16	21-Jun-16	Change
New Delhi	Hybrid (U.P.)	1625	1625	Unch	NA	NA	-
Koppal	Loose	1680	1680	Unch	NA	NA	-
Davangere	Bilty	1800	1800	Unch	1000	1000	Unch
Ranebennur	Hybrid/Local	NA	1600	-	NA	136	-
Bagalkot	Hybrid/Local	NA	NA	-	NA	NA	-
Gadag	Local	NA	NA	-	NA	NA	-
Hubli	Local	NA	NA	-	NA	NA	-
Shimoga	Hybrid/Local	NA	1675	-	NA	769	-
Nizamabad	Bilty	1640	1670	-30	200	200	Unch
Karimnagar	Local	NA	1600	-	NA	4	-
Khammam	Local	NA	NA	-	NA	NA	-
Sangli	Feed	1850	1830	20	NA	NA	-
Yeola-Nashik	Bilty	NA	NA	-	NA	NA	-
Naugachia	Bilty	1500	1500	Unch	NA	NA	-
Kolkata	Mill Delivery	1600	1600	Unch	3333	3333	Unch
Ahmadabad	Feed	1800	1725	75	5000	6000	-1000
	Starch	1770	1750	20			
Gulabgachh	Local	NA	NA	-	5000	4000	1000
	Bilty	1550	1550	Unch			
Khanna	Local	1520	1500	20	6000	6000	Unch
	Bilty	1650	1600	50			
Ludhiana	Local	Closed	Closed	-	Closed	Closed	-
	Bilty	Closed	Closed	-			

CBOT Corn Daily Futures Price Listing (USD/MT) as on 21 June, 2016

Contract Month	Open	High	Low	Close	Change
Jul-16	165.54	166.23	156.00	156.00	-9.84
Sep-16	167.61	168.50	158.16	158.36	-9.64
Dec-16	170.37	171.25	160.88	160.92	-9.84
Mar-17	172.53	173.52	163.38	163.67	-9.35
May-17	173.81	174.40	164.85	165.15	-9.05

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