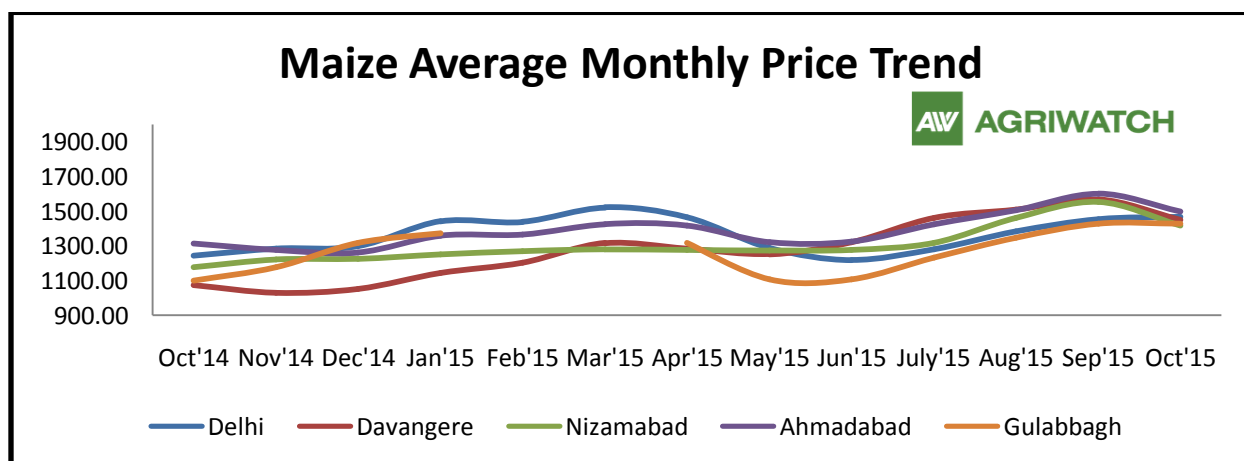


## EXECUTIVE SUMMARY:

Overall weak sentiments witnessed in major cash market of maize during the month of October due to new crop arrival pressure. Agriwatch expects maize to trade range bound during the month of November as one side feed makers and stockist demand will support the market to gain. On contrast, export disparity and low growth of poultry feed sector will limit the gains.

In Bihar, maize sowing has started now and area is expected to increase around 8-10% due to shift from wheat to maize. Besides, in A.P also, farmers' intension is to raise the maize area slightly due to high corn prices.



## INDIA MAIZE BALANCE SHEET

Maize Year-(Oct-Sep)	2014-15E	2015-16F	Oct-Dec'15 F
Opening Stocks (MMT)	1.98	3.52	3.52
Production (MMT)	20.76	20.53	11.75
Farmer's Release (MMT)	17.90	17.70	8.71
Govt. Procurement (MMT)	1.09	1.09	0.49
Pvt. Trade Release (MMT)	16.81	16.61	3.97
Seed Retention (MMT)	0.23	0.23	0.04
Imports (MMT)	0.01	0.01	0.00
<b>Total Supply (MMT)</b>	<b>22.75</b>	<b>24.06</b>	<b>15.27</b>
Export (MMT)	1.20	1.01	0.25
Domestic Consumption (MMT)	18.03	18.35	7.71
<b>Total Demand (MMT)</b>	<b>19.23</b>	<b>19.36</b>	<b>7.96</b>
<b>Ending Stock (MMT)</b>	<b>3.52</b>	<b>4.70</b>	<b>7.31</b>

Agriwatch expects maize production for this Kharif season to be at 14.68 MMT with the expected yield of 2194 kg/ hectare.

November 5<sup>TH</sup>, 2015

Total maize production in India could be around 20.53 MMT in 2015-16 against our yearly total demand of 19.36 MMT.

With carryout of 3.52 MMT total availability goes up to 24.06 MMT in 2015/16.

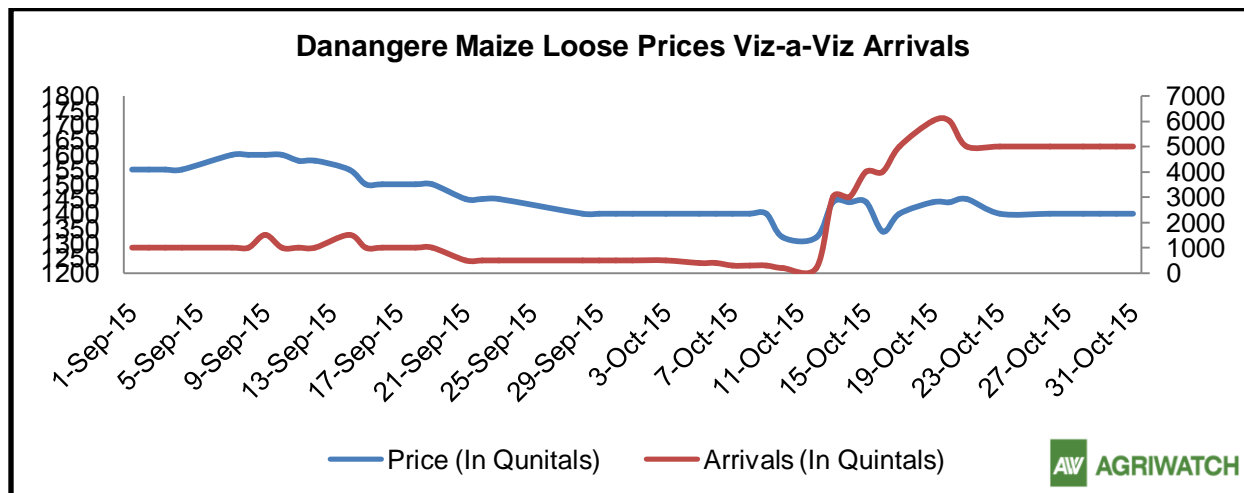
<b>Maize Year-(Oct-Sep)</b>	<b>2014-15E</b>	<b>2015-16F</b>
Monthly Use	1.90	2.01
Stock to Use Ratio	0.15	0.20
Stock to Month Use Ratio	1.86	2.34

<b>Consumption Break Up For 2015-16 F (Figures in MMT)</b>	
Poultry & Cattle feed	11.33
Starch & Brewery	4.63
Human Consumption	1.66
Seed	0.23
Shortage & Wastage	0.50

- **E= AW Estimates, F=AW Forecast**

## STATE - WISE MARKET DYNAMICS

### Karnataka

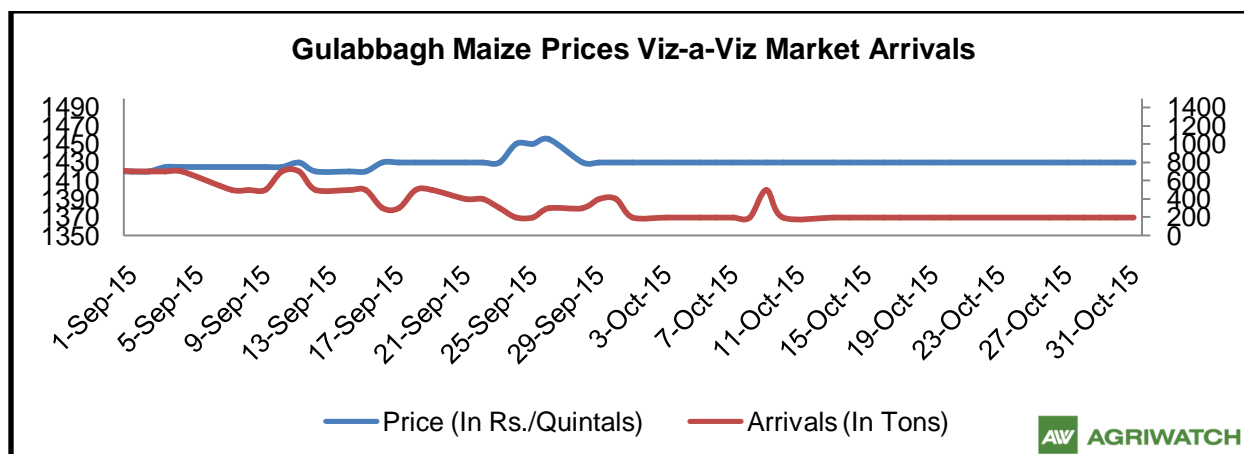


Maize is ruling lower than last month as new crop arrivals with moisture level of around 14-16% are weighing on market sentiments. However, maize prices are higher than corresponding period of last year as stock of maize is almost nil which was around 1,00,000 MT during last year. Lower crop production also support the market at lower level. During the month of November, maize is expected to trade range bound at Rs. 1350-1400 per quintal in the Davangere cash market, as one side, lower production and stock will support the market to gain. On contrast, low growth of poultry feed sector will limit the gains.

Maize sourced from Davangere is moving towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1450 per quintal, Rs. 1500 per quintal, Rs. 1430 per quintal, Rs. 1440 per quintal and Rs. 1500 per quintal respectively.

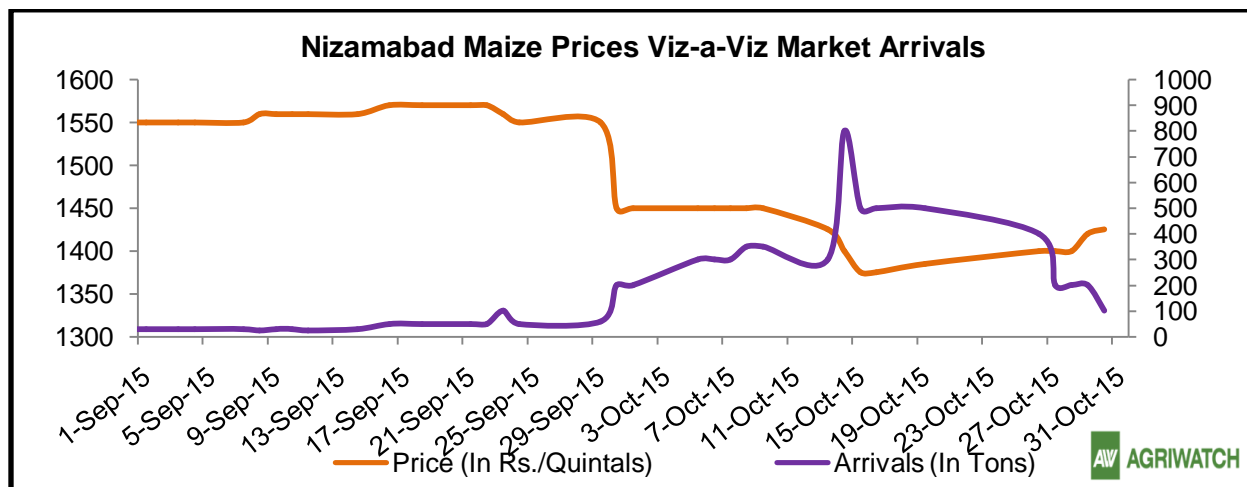
As per trade sources, Cargil and LD bought corn around 1000 MT each at Rs. 1400 per quintal for the November month contract, sourced from davangere.

### BIHAR:



In Bihar, maize sowing has started now and area is expected to increase around 8-10% due to shift from wheat to maize. Maize sourced from Bihar is moving towards Kolkata at Rs.1700 per quintal. As maize prices are ruling at its high level; it is likely to trade steady during the month of November. Stock of maize could be around 30,000 MT which was around 1,00,000 MT during the corresponding period of last year.

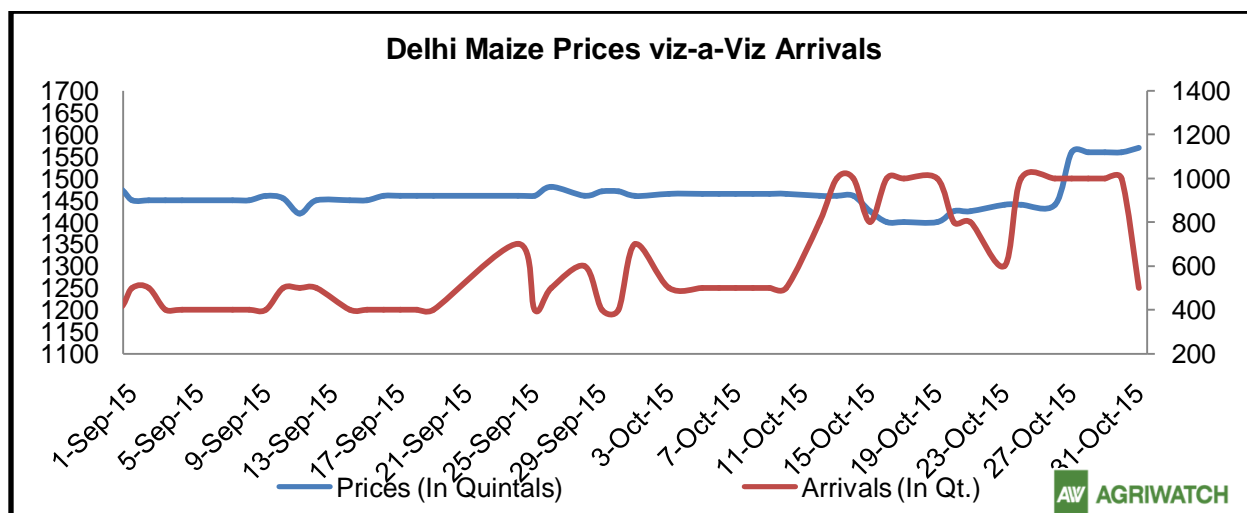
### ANDHRA PRADESH:



In Nizamabad, maize prices ruled slightly lower than last month due to new crop arrival pressure. However, prices are higher than last year due to low stock position. Stock of maize in the Government's warehouse is less than last year as prices ruled higher than MSP. In the Government's warehouse, maize stock position is around 10,000 MT which was around 48,000 MT during the corresponding period of last year.

New crop with moisture level of 14% is ruling at Rs. 1480 per quintal (Bilty Price). During the month of November, maize is likely to trade firm by Rs. 50 per quintal to Rs. 1530 per quintal amid poultry feed makers and stockiest' demand.

### DELHI



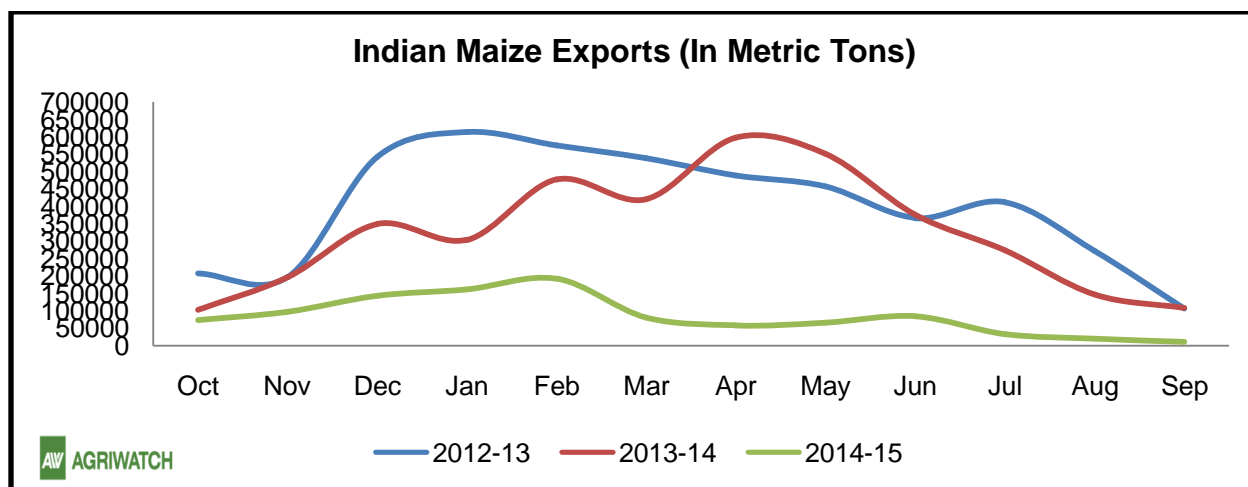
In Delhi, maize traded firm by Rs. 90 per quintal to Rs 1570 per quintal as compared to last month and is likely to trade firm in the near term also due to feed makers and stockist demand. Stock of maize could be around 15,000 quintal which is adequate as compared to last year.

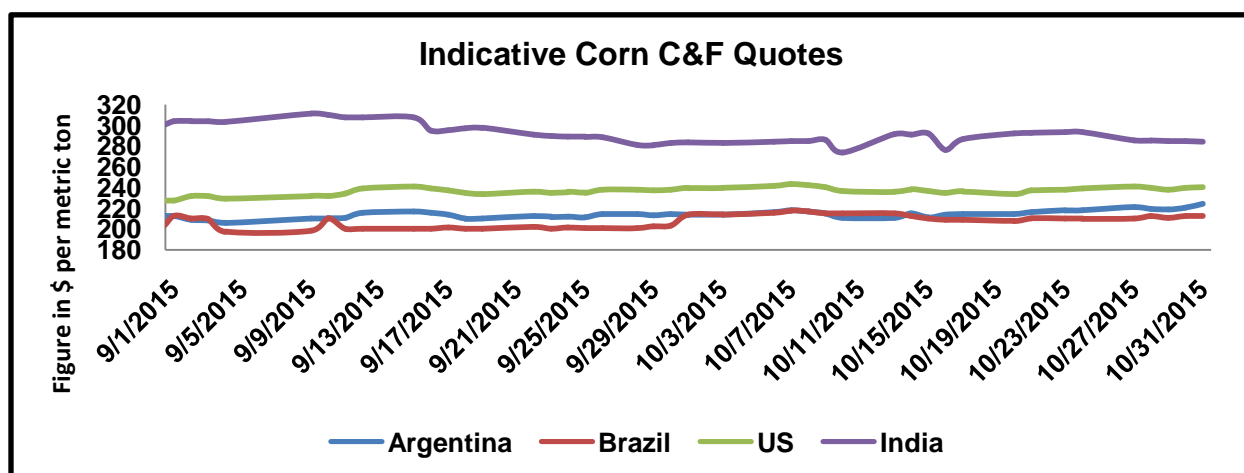
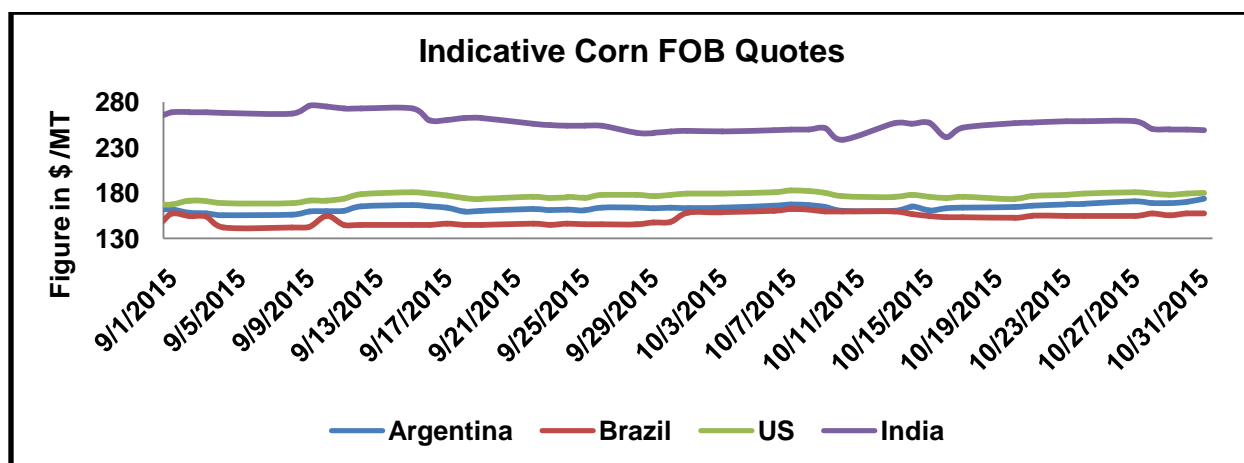
Month-wise Average prices of Maize at various markets					
Market	2015-Oct	2015-Sep	2014-Oct	% Change from Prev. Month	% Change from Prev. Year
Delhi	1468	1456	1246	0.82	17.81
Davangere	1450	1567	1190	-7.46	21.84
Shimoga	1550	1460	1090	6.16	42.20
Bagalkot	1412	1467	1071	-3.74	31.83
Gadag	1227	1322	983	-7.18	24.82
Nizamabad	1420	1552	1177	-8.50	20.64
Khanna	1470	1424	1282	3.23	14.66
Ludhiana	1495	1357	1300	10.16	15.00
Sangli	1496	1645	1212	-9.05	23.43
Naugachia	1485	1456	1078	1.99	37.75

### PRICE OUTLOOK:

Agriwatch expects maize could trade range bound during the month of November as one side feed makers and stockist demand will support the market to gain. On contrast, export disparity and low growth of poultry feed sector will limit the gains.

### ON THE EXPORT FRONT:

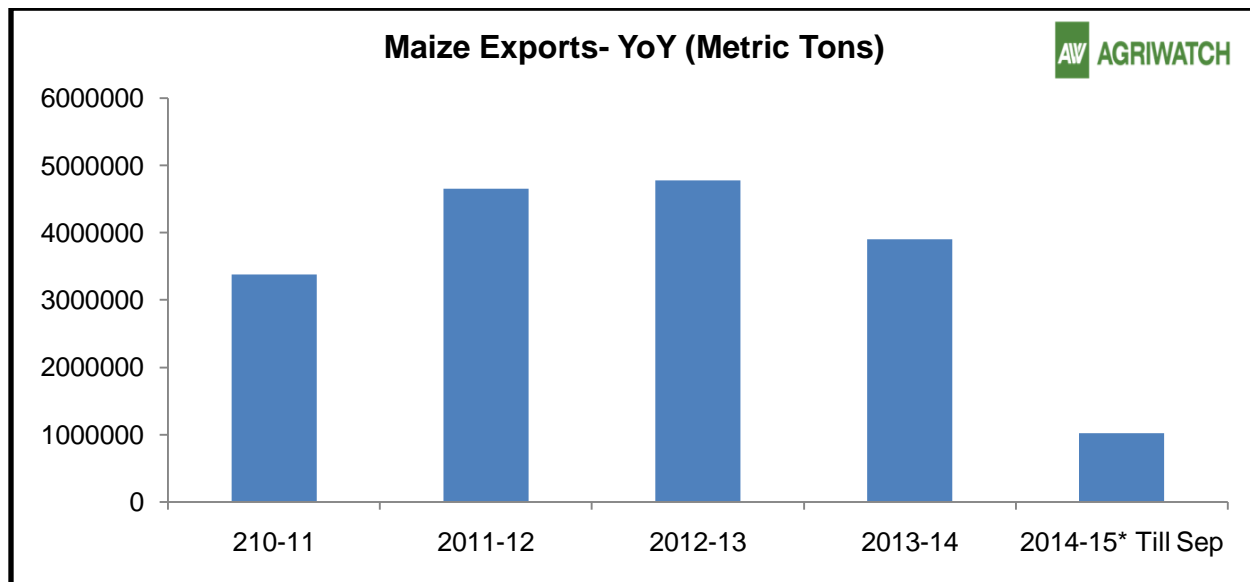




Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 65.42)				
As on 31.10.2015	Argentina	Brazil	US	India
FOB	174.11	157.45	180.41	249.01
Cost and Freight (C&F)	224.11	212.45	240.41	284.01

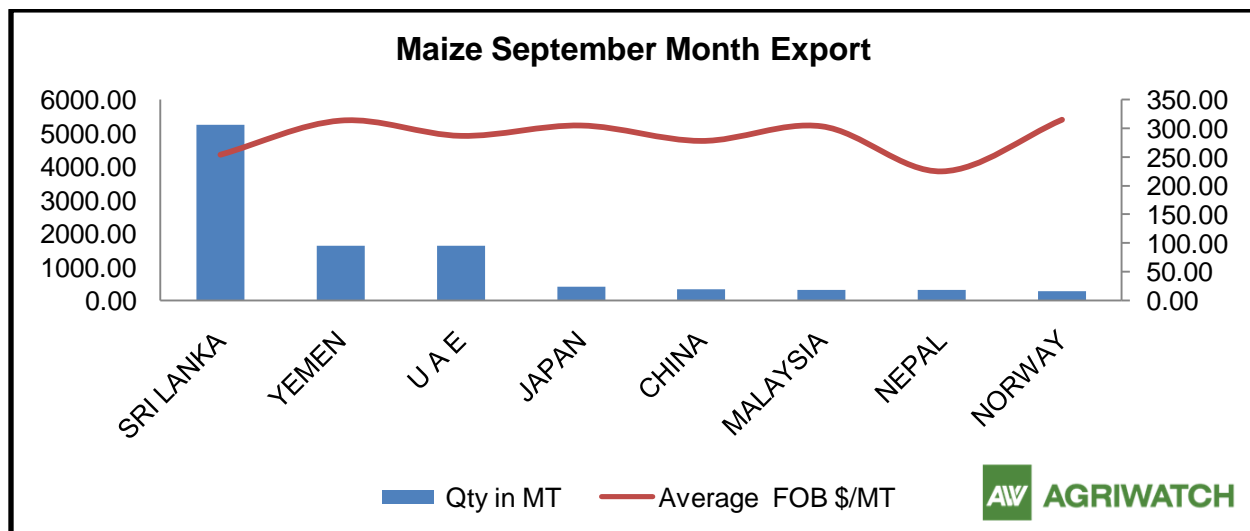
As depicted by the above data, there is no parity for Indian maize as gap of prices between India and other exporting countries is wide. Agriwatch expects total export demand to remain lower during 2015/16 due to export disparity.

## YEAR ON YEAR MAIZE EXPORTS



Exports are being lower year on year basis due to export disparity. Agriwatch forecast exports for 2015-16 at 1.01 MMT.

## MAIZE SEPTEMBER MONTH' EXPORT



- Export data for the month of October will be updated soon.

November 5<sup>TH</sup>, 2015

## FUTURES MARKET ANALYSIS: NCDEX MAIZE (DECEMBER CONTINUOUS WEEKLY FUTURE CHART)



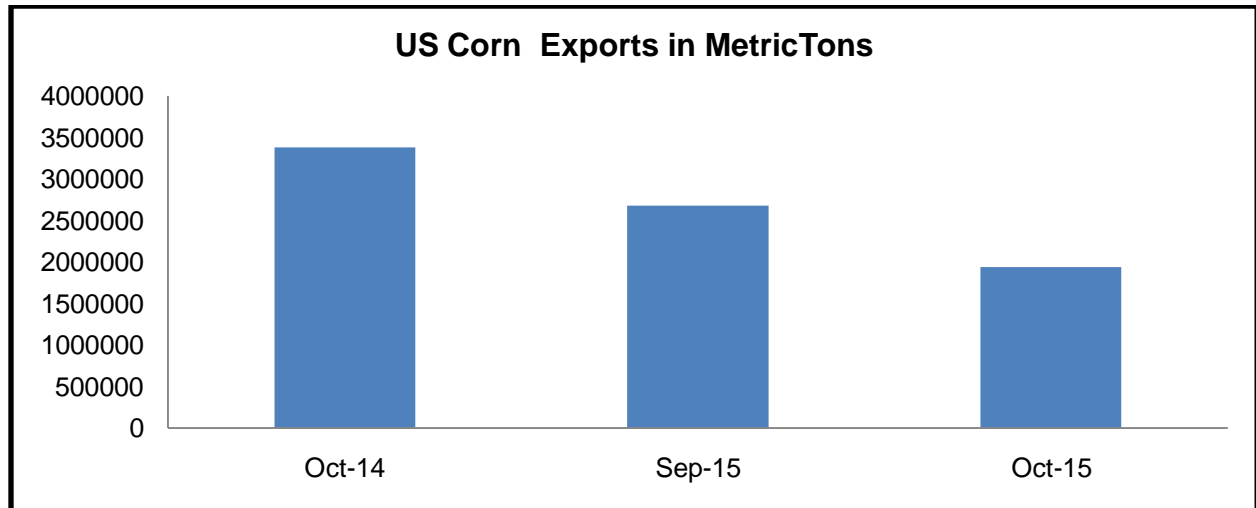
- Candlestick depicts firmness in the market.
- Prices closed above 9 and 18 days EMAs.
- RSI is moving up towards overbought region.
- Increase in prices with lower volume and OI indicates to weak market.
- Strategy: Buy near 1460 and target1 and target2 would be 1500 and 1520.

### Support & Resistance

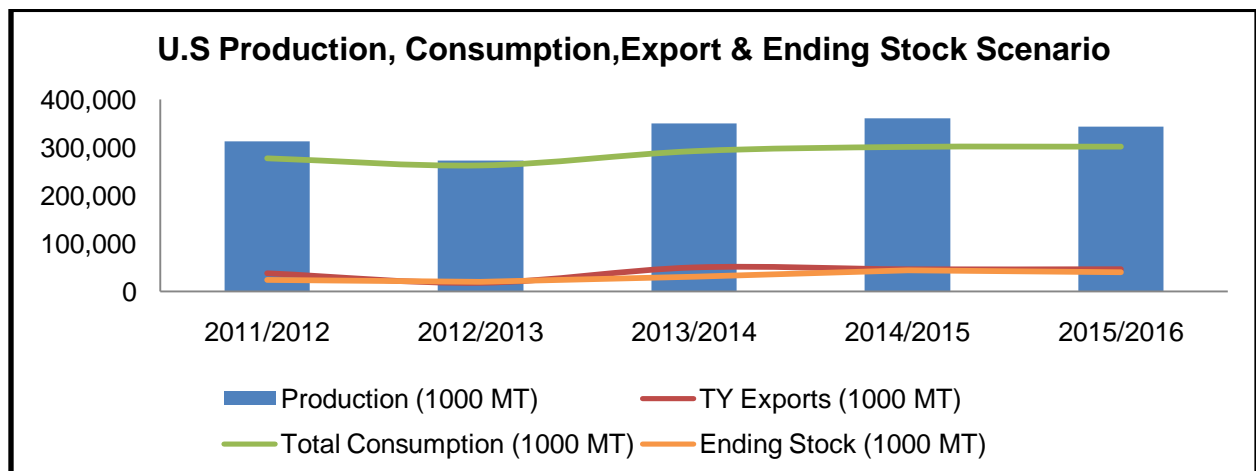
S2	S1	PCP	R1	R2
1293	1400	1502	1560	1619

## INTERNATIONAL MARKET SCENARIO:

### U.S.



As per USDA, U.S corn exports reached 46, 23,102 metric tons in the 2015-16 marketing year. At 19,39,857 MT (for the period 1<sup>st</sup> Oct- 22<sup>nd</sup> Oct, 2015) exports were down 27.7 percent from the previous month, and ~43 percent from the corresponding period of last year.



USDA forecasted corn production of U.S at 344.31 MMT, lower by 0.762 MMT from the September projection and 16.018 MMT from the last year. Corn ending stocks for U.S are forecasted lower by 0.791 MMT to 39.657 MMT for 2015/16 as compared to last month and 3.529 MMT from the last year.

As per the latest crop progress report released by USDA, 85% corn crop has been harvested as on 1<sup>st</sup> November, 2015; higher by 23% from the previous year and 6% from the last 5 year average period.

### ARGENTINA

Argentina is likely to plant corn in 5.3 million hectares in the 2015/16 season which is 0.7 million hectare lesser compared to last crop year.

USDA has left unchanged its ending stock estimates for Argentina at 1.018 MMT for 2015/16 in the new estimate, lower by 0.495 MMT as compared to last year.

### BRAZIL

Brazil's corn exports are likely to increase to 4.64 MMT in the month of November'15, 148% higher than last year as a weaker Brazilian currency makes the country's exports more competitive.

USDA has left unchanged its ending stock estimates for Brazil at 15.172 MMT from the September month estimate for 2015/16, lower by 3.4 MMT from the last year.

### CHINA

USDA increased its corn ending stock forecast for China by 0.2 MMT to 90.61 MMT for 2015/16 from the last month.

### UKRAINE

USDA decreased its ending stock estimates for Ukraine by 0.3 MMT to 1.403 MMT from the last month for 2015/16.

### MEXICO

USDA corn ending stock forecast was unchanged for Mexico at 3.444 MMT for 2015/16 as compared to last month forecast.

### INDONESIA

USDA has left unchanged its corn ending stock forecast for Indonesia at 2.574 MMT for 2015/16 as compared to last month.

### MALAYSIA

USDA has left unchanged its corn ending stock forecast for Malaysia at 0.44 MMT for 2015/16 as compared to last month forecast.

## INTERNATIONAL CORN HIGHLIGHTS

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	30.10.2015	30.9.2015	Change
Corn CBOT Prices	Dec-15	150.45	153.11	-2.66
	Mar-16	154.09	157.34	-3.25
	May-16	156.36	160.10	-3.74
	Jul-16	158.03	162.06	-4.03
	Sep-16	158.03	158.92	-0.89

The IGC increased its forecast for the 2015/16 global corn crop by 3 MMT to 970 MMT from the last month, but below the prior season's 1011 MMT crop. Forecast for global corn ending stock increased by 1 MMT to 200 MMT as compared to last month.

Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 45.7% in August'15 from 45% during the corresponding month last year as users' reliance on alternatives such as sorghum, wheat and barley decreased.

Korea Corn Processing Industry Association of South Korea purchased about 60,000 MT corn from South America likely to be sourced at \$195/MT c&f including a surcharge for additional port unloading for arrival around Jan. 10, 2016. Besides, it purchased about 55,000 MT of corn, likely to be sourced from South America at \$195.05/MT c&f for arrival around Feb. 20, 2016.

## INTERNATIONAL OUTLOOK:

Corn prices fall by \$ 2.66 / MT to \$ 150.45 /MT for December contract on CBOT due to ample supply and limited export interest for U.S' crop. Agriwatch expect corn on CBOT could trade down further due to low export demand amid supply pressure. However, price direction will depend on monthly demand and supply report of USDA due on 10<sup>th</sup> November, 2015.

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