

Maize Monthly Research Report

Contents

- ❖ Outlook and Review
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ AW Maize Index
- ❖ India Maize Balance Sheet
- ❖ State Wise Market Dynamics
- ❖ Domestic Price Outlook
- ❖ On The Export-Import Front
- ❖ Maize March Month Export-Import
- ❖ Future Market Analysis
- ❖ International Market Scenario
- ❖ International Trades
- ❖ International Corn Outlook
- ❖ Monthly Spot Price Comparison
- ❖ CBOT Corn Future Prices

1st April, 2016

OUTLOOK AND REVIEW:

DOMESTIC MAIZE MARKET SUMMARY

Assuming a normal harvest of Rabi corn at 5.38 MMT with the expected yield of 3752 kg/ hectare and quite stable domestic prices during the rest of marketing year- 2015-16; imports are estimated to reach 385,000 MT. However, if prices get firmer more import is possible in 2015-16 M.Y.

As per IBIS data, around 1,59,910 MT corn was sourced from Ukraine for the month of March, mainly through Kandla Sea followed by Vizag and Tuticorin Sea at an average CIF of \$195.42 / MT. Meanwhile, 3932 MT was exported mainly to Nepal followed by Yemen, UAE and Japan for the month of March, lower by 63% compared to last month, mainly through JNPT Sea followed by Raxul LCS.

Sentiments are likely to be bearish due to new crop arrival pressure. In Bihar, around 5% maize crop harvesting has been completed and crop is in good condition. Maize is moving towards Punjab and U.P at Rs. 1600 and Rs. 1500 per quintal respectively. Demand from Kolkata feed makers will be raised from mid April after finishing up local produced.

In A.P, new crop contains 16-17% moisture and around 10-15%.has been harvested.

RECOMMENDATION:

Market participants are advised to go short in Maize for May contract near 1230 levels for a target of 1196 and 1180 with a stop loss at 1250 on closing basis.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT raised 3.93 USD/MT to 144.45 USD/MT for May contracts compared to last month due to increase in demand for U.S corn.

USDA surprised investors by its prediction for U.S. corn sowings at 93.601 million acres, up 6.4 percent from last year and above analyst estimates.

USDA quarterly stocks report shows totaled corn stocks in all positions on March 1, 2016 at 198.33 MMT, up by 1.476 MMT from March 1, 2015.

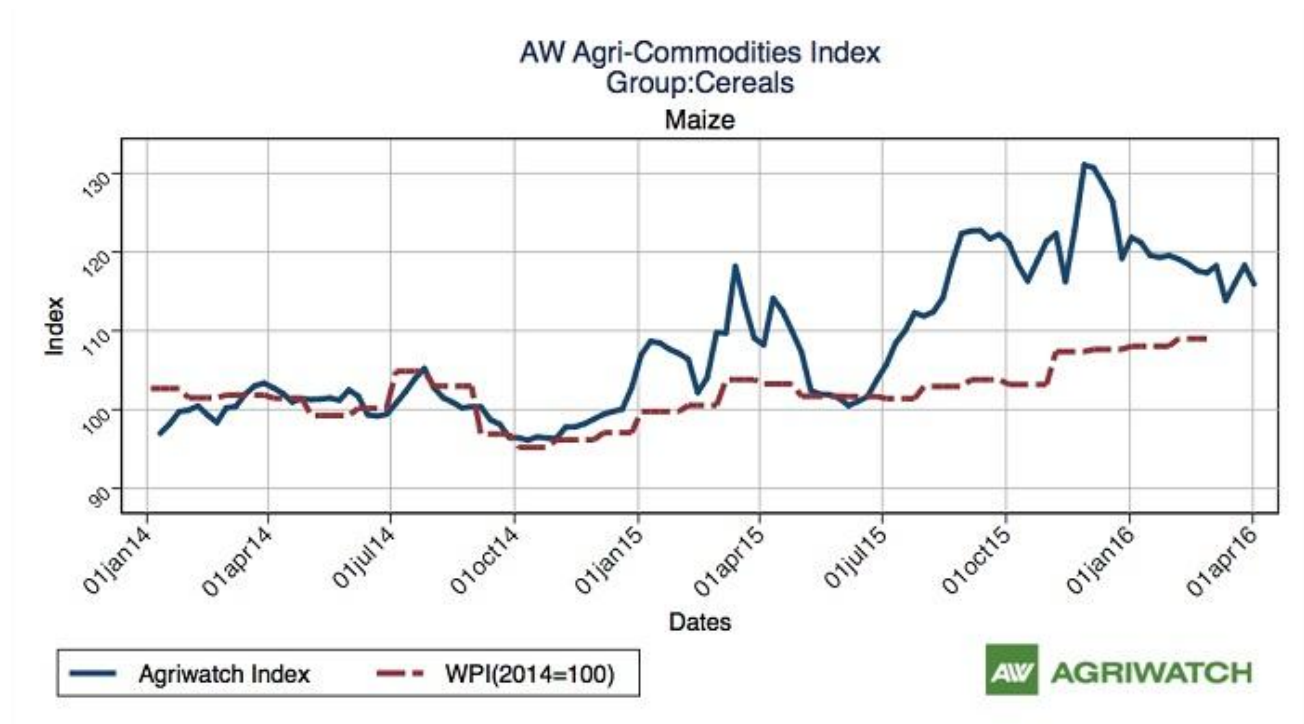
At 40,59,859 MT (for the period 3st Mar- 24th Mar, 2016) U.S exports were up 39.13 percent from the previous month and 12.55 percent from the corresponding period of last year.

The IGC raised its forecast for the 2015/16 global corn crop by 3 MMT to 972 MMT from the last month.

USDA kept unchanged its ending stock estimates for Ukraine at 1.320 MMT from the last month for 2015/16.

1st April, 2016

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index fell 0.53% during the week ended Apr 2, 2016 compared to previous week. The base for the Index is 2014 (= 100).

1st April, 2016

INDIA MAIZE BALANCE SHEET

Maize Year-(Oct-Sep)	2014-15E	2015-16F	(Quarter) Oct-Dec'15 F	(Quarter) Jan-Mar'16 F	(Quarter) Apr-Jun'16 F
Opening Stocks (MMT)	2.09	4.14	4.14	8.51	6.54
Production (MMT)	20.76	20.06	11.75	2.94	4.30
Farmer's Release (MMT)	17.90	17.27	8.71	3.73	3.37
Govt. Procurement (MMT)	1.09	0.01	0.01	0.01	
Pvt. Trade Release (MMT)	16.81	17.26	4.35	8.08	2.89
Seed Retention (MMT)	0.23	0.23	0.04		0.19
Imports (MMT)	0.02	0.39	0.00	0.39	0.00
Total Supply (MMT)	22.87	24.59			
Quarterly Add On(MMT)			11.75	3.32	4.30
Export (MMT)	1.14	0.49	0.10	0.03	0.17
Domestic Consumption (MMT)	17.59	17.92	7.28	5.27	3.23
Total Demand (MMT)	18.73	18.41	7.38	5.30	3.40
Ending Stock (MMT)	4.14	6.18	8.51	6.54	7.44

- New season starting from October is expected to begin with 4.14 MMT and end with 6.18 MMT.
- Total maize production in India could be around 20.06 MMT in 2015-16 against our yearly total demand of 18.41 MMT.
- Considering the current weather conditions, Agriwatch expects maize production for this Rabi season at 5.38 MMT with the expected yield of 3752 kg/ hectare.
- With carryout of 4.14 MMT total availability goes up to 24.59 MMT in 2015/16.
- Total demand including domestic and export could be around 18.41 MMT.
- Total imports for the Jan-Mar quarter could be around 0.39 MMT in 2015/16.

Maize Year-(Oct-Sep)	2014-15E	2015-16F
Monthly Use	1.91	2.05
Stock to Use Ratio	0.18	0.25
Stock to Month Use Ratio	2.17	3.02

Consumption Break Up For 2015-16 F (Figures in MMT)	
Poultry & Cattle feed	10.98
Starch & Brewery	4.55
Human Consumption	1.66
Seed	0.23
Shortage & Wastage	0.50

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

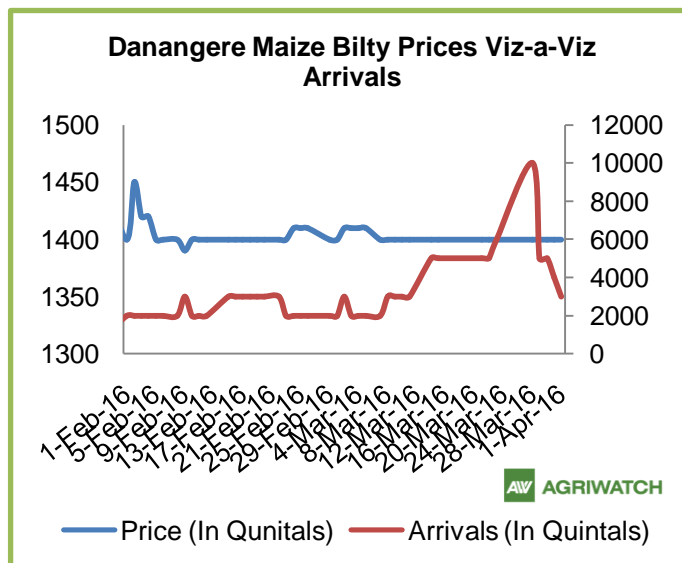
1st April, 2016

STATE - WISE MARKET DYNAMICS

Karnataka

Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1470 per quintal, Rs. 1470 per quintal, Rs. 1430 per quintal, Rs. 1470 per quintal and Rs. 1480 per quintal respectively. Market is expected to trade range bound in the near term..

As per trade sources, in karnataka, stock of maize could be around 500,000 MT in the hands of Private traders, which was 400,000 MT during the corresponding period of last year.



BIHAR:

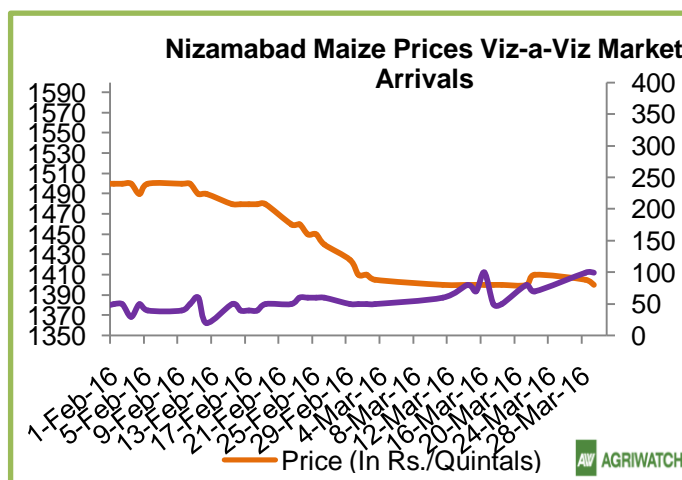
In Bihar, around 5% maize crop harvesting has been completed and crop is in good condition. Maize is moving towards Punjab and U.P at Rs. 1600 and Rs. 1500 per quintal respectively. Demand from Kolkata feed makers will be raised from mid April after finishing up local produced.

Due to crop arrival pressure from Bihar, we expect prices to get down in Gulabbagh market. With commencement of arrivals, prices are likely to remain under pressure in Apr-Jun quarter.

ANDHRA PRADESH:

In A.P, maize is likely to trade in a range of Rs. 1350-1400 per quintal for the month of April amid sluggish demand. New crop contains 16-17% moisture and around 10-15%.has been harvested.

In A.P, maize stock position could be around 37,000 MT(15000- Private+ 17000-Government) which was around 40,000 MT(5000-Pvt+35000-Government) during the corresponding period of last year.



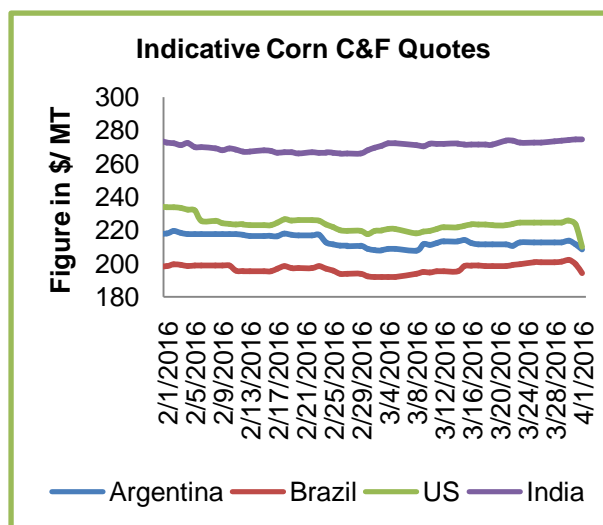
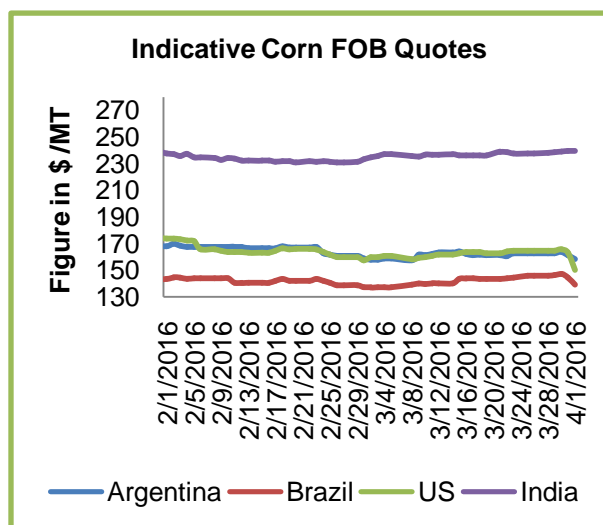
DOMESTIC PRICE OUTLOOK:

Agriwatch expects maize to trade under pressure during the month of April due to new crop arrival pressure.

1st April, 2016

ON THE EXPORT-IMPORT FRONT:

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. If prices get firmer more import is possible in new MY.



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.31)				
As on 1.4.2016	Argentina	Brazil	US	India
FOB	158.66	139.34	150.07	239.54
Cost and Freight (C&F)	208.66	194.34	210.07	274.54

MAIZE MARCH MONTH' EXPORT-IMPORT

As per IBIS data, around 1,59,910 MT corn was sourced from Ukraine for the month of March, mainly through Kandla Sea followed by Vizag and Tuticorin Sea at an average CIF of \$195.42 / MT. Meanwhile, 3932 MT was exported mainly to Nepal followed by Yemen, UAE and Japan for the month of March, lower by 63% compared to last month, mainly through JNPT Sea followed by Raxul LCS.

1st April, 2016

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



- Candlestick depicts range bound movement in the market.
- Prices closed near 9 18 days EMAs.
- RSI is moving up in neutral zone.
- However, increase in prices with lower volume and OI indicates weak market.
- Strategy: Sell near 1230 and target1 and target2 would be 1196 and 1180.

Support & Resistance

S2	S1	PCP	R1	R2
1150	1175	1210	1260	1310

1st April, 2016

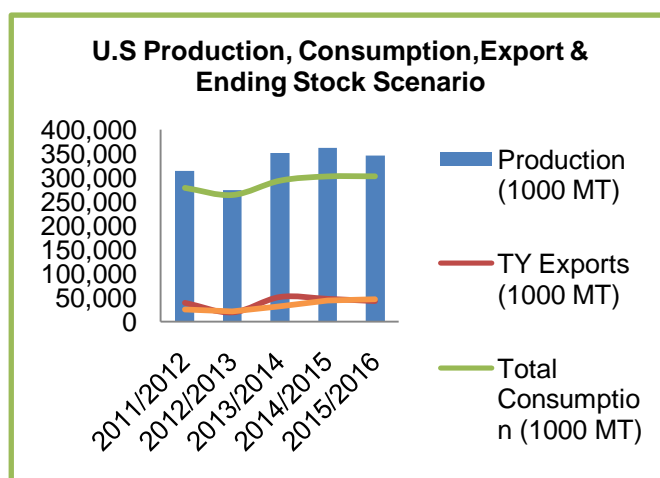
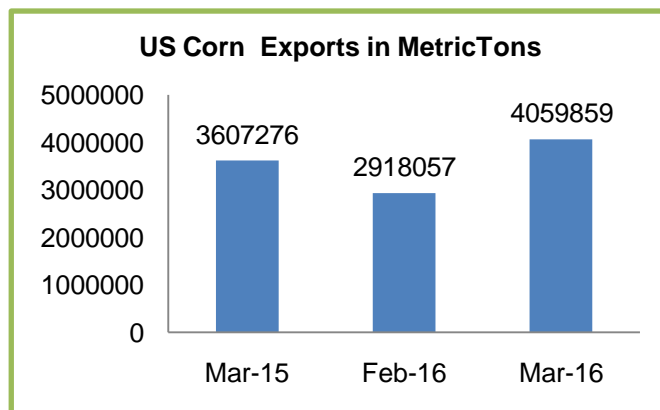
INTERNATIONAL MARKET SCENARIO:

U.S.

As per USDA, U.S corn exports reached 18,834,905 metric tons in the 2015-16 marketing year. At 40,59,859 MT (for the period 3rd Mar- 24th Mar, 2016) exports were up 39.13 percent from the previous month and 12.55 percent from the corresponding period of last year.

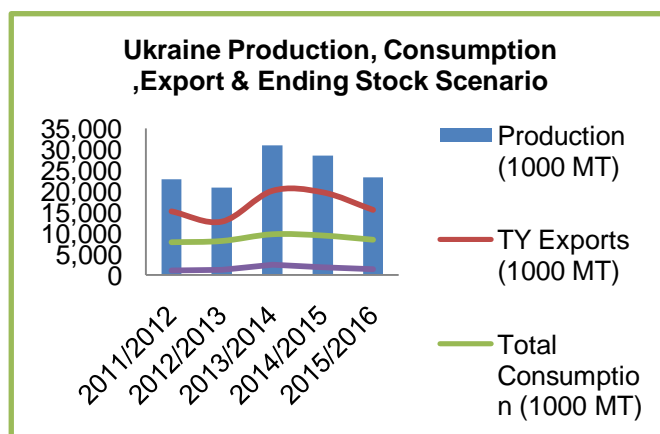
USDA kept unchanged its corn production forecast for U.S at 345.486 MMT for 2015/16 compared to February month forecast but lower by 15.60 MMT from the last year.

USDA quarterly stocks report shows totaled corn stocks in all positions on March 1, 2016 at 198.33 MMT, up by 1.476 MMT from March 1, 2015. Of the total stocks, 110.11 MMT are stored on farms, down by 1.14 MMT from March 1, 2015. Off-farm stocks, at 88.21 MMT, up by 2.62 MMT from the last year



UKRAINE

USDA kept unchanged its ending stock estimates for Ukraine at 1.320 MMT from the last month for 2015/16 but lower by 0.55 MMT compared to last year.



ARGENTINA

USDA kept unchanged its corn ending stock forecast for Argentina at 1.318 MMT from the last month for 2015/16.

BRAZIL

USDA has decreased its ending stock estimates for Brazil by 1.65 MMT to 6.52 MMT from the February month estimate for 2015/16 due to increase in export estimates.

CHINA

USDA kept unchanged its corn ending stock forecast for China at 111.494 MMT for 2015/16 from the last month but higher by 11.03 MMT to 111.49 MMT compared to last year.

1st April, 2016**MEXICO**

USDA increased its corn ending stock forecast for Mexico by 0.2 MMT to 3.509 MMT for 2015/16 compared to last month forecast due to increase in import forecast.

INDONESIA

USDA lowered its corn ending stock forecast for Indonesia by 0.05 MMT to 1.105 MMT for 2015/16 compared to last month due to fall in import forecast.

MALAYSIA

USDA kept unchanged its corn ending stock forecast for Malaysia at 0.361 MMT for 2015/16 compared to last month forecast.

GLOBAL

The IGC raised its forecast for the 2015/16 global corn crop by 3 MMT to 972 MMT from the last month, but below the previous season's 1016 MMT crop. Forecast for global corn ending stock kept unchanged at 206 MMT as compared to last month. The IGC also forecast for the 2016/17 global corn crop production at 993 MMT.

INTERNATIONAL TRADES

The Korea Feed Association purchased about 63,000 MT of yellow corn at \$177.45 /MT c&f likely to be sourced from United States or South America for arrival around July 30

INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT raised 3.93 USD/MT to 144.45 USD/MT for May contracts compared to last month due to increase in demand for U.S corn. However, expectation of higher U.S. corn acreage could keep pressure on market sentiments.

1st April, 2016

Monthly Spot Price Comparison

Month-wise Average prices of Maize at various markets					
Market	2016-March	2016-Feb	2015-March	% Change from Prev. Month	% Change from Prev. Year
Delhi	1669	1645	1524	1.46	9.51
Davangere(Loose)	1402	1405	1316	-0.21	6.53
Shimoga	1475	1483	1159	-0.54	27.26
Bagalkot	1380	1390	1283	-0.72	7.56
Gadag	1352	1374	1215	-1.60	11.28
Nizamabad	1403	1478	NA	-5.07	-
Khanna	1756	NA	1561	-	12.49
Ludhiana	NA	NA	1562	-	-
Sangli	1477	1493	1378	-1.07	7.18
Naugachia	1365	NA	1363	-	0.15

CBOT Corn Future Prices

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	3/30/2015	2/29/2016	Change
Corn CBOT Prices	May-16	144.45	140.52	3.93
	Jul-16	146.22	142.38	3.84
	Sep-16	147.99	144.55	3.44
	Dec-16	151.14	147.90	3.24
	Mar-17	154.59	-	-

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2016 Indian Agribusiness Systems Pvt. Ltd.