

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
- ❖ Future Market Analysis
- ❖ International Market Scenario
- ❖ International Corn Outlook
- ❖ Monthly Spot Price Comparison
- ❖ CBOT Corn Future Prices

1st April, 2017

OUTLOOK AND REVIEW:

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded slightly weak during the month of March'17 compared to last month and is likely to trade weak during the month of April'17 too due to new crop arrival pressure. In Nizamabad, some quantity of new crop of maize with 16% moisture content, traded at Rs.1400 per quintal (loose price) while in Gulabbagh, new crop of maize traded at Rs. 1470 per quintal (Bilty). It is likely to trade steady to weak in near term. Crop quality of maize is good in condition.

Agriwatch estimates maize Rabi production at around 6.24 MMT for 2016/17.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 30 per quintal to Rs. 1550 per quintal while Starch feed makers quoted it firm by Rs. 40 per quintal to Rs.1570 per quintal compared to last month.

RECOMMENDATION:

Market participants are advised to go long in Maize for June contract near 1332 levels for a target of 1350 and 1359 with a stop loss at 1322 on closing basis.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 0.30 USD/MT to 141.14 USD/MT for May contract compared to last month due to high export demand.

U.S corn exports reached 30.53 MMT in the 2016-17 marketing year. At 5.81 MMT (for the period 1st March- 23rd March, 2017) exports were firm by 14.56 percent from the previous month and 43 percent from the corresponding period of last year.

USDA increased its world corn ending stock estimates by 3.116 MMT to 220.678 MMT for 2016/17 compared to last month due to increase in production estimate for Brazil and Argentina crop.

Preliminary Japanese government data shows that Japan's use of corn in animal feed production fell by 0.2 % to 46.1% in the January'17 compared to same month last year.

1st April, 2017

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index gained 1.16% during the week ended March 25, 2017 compared to previous week. The base for the Index and all sub-Indices is 2014 (= 100). Detailed charts and index computation methodology can be viewed on the ET website and on Agriwatch.com.

INDIA MAIZE BALANCE SHEET

| Maize Year-(Oct-Sep) | 2015-16E | 2016-17F | (Quarter) Oct-Dec'16 F | (Quarter) Jan-Mar'17 F |
|------------------------------|-----------------|-----------------|-----------------------------------|-----------------------------------|
| Opening Stocks (MMT) | 2.67 | 2.39 | 2.39 | 7.75 |
| Production (MMT) | 20.06 | 23.84 | 14.08 | 3.52 |
| Farmer's Release (MMT) | 17.27 | 20.55 | 10.45 | 4.48 |
| Govt. Procurement (MMT) | 0.02 | 0.06 | 0.02 | 0.04 |
| Pvt. Trade Release (MMT) | 17.26 | 20.49 | 5.20 | 9.66 |
| Seed Retention (MMT) | 0.23 | 0.25 | 0.04 | |
| Imports (MMT) | 0.23 | 0.02 | 0.00 | 0.02 |
| Total Supply (MMT) | 22.96 | 26.25 | | |
| Quarterly Add On(MMT) | | | 14.08 | 3.54 |
| Export (MMT) | 0.47 | 0.54 | 0.12 | 0.15 |
| Domestic Consumption (MMT) | 20.10 | 21.18 | 8.60 | 6.23 |
| Total Demand (MMT) | 20.57 | 21.72 | 8.72 | 6.38 |
| Ending Stock (MMT) | 2.39 | 4.53 | 7.75 | 4.92 |

- New season starting from October is expected to begin with 2.39 MMT and end with 4.53 MMT in 2016/17.
- Total maize production in India could be around 23.84 MMT in 2016-17 against our yearly total demand of 21.72 MMT.
- Agriwatch estimates maize Rabi production at around 6.24 MMT for 2016/17.
- With carryout of 2.39 MMT total availability goes up to 26.25 MMT in 2016/17.
- Total demand including domestic and export could be around 21.72 MMT.

| Maize Year-(Oct-Sep) | 2015-16E | 2016-17F |
|-----------------------------|-----------------|-----------------|
| Monthly Use | 1.91 | 2.19 |
| Stock to Use Ratio | 0.10 | 0.17 |
| Stock to Month Use Ratio | 1.25 | 2.07 |

| Consumption Break Up For 2016-17 F (Figures in MMT) | |
|--|-------|
| Poultry & Cattle feed | 13.26 |
| Starch & Brewery | 4.69 |
| Human Consumption | 1.79 |
| Seed | 0.25 |
| Shortage & Wastage | 0.72 |
| Storage and Moisture Loss | 0.48 |

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

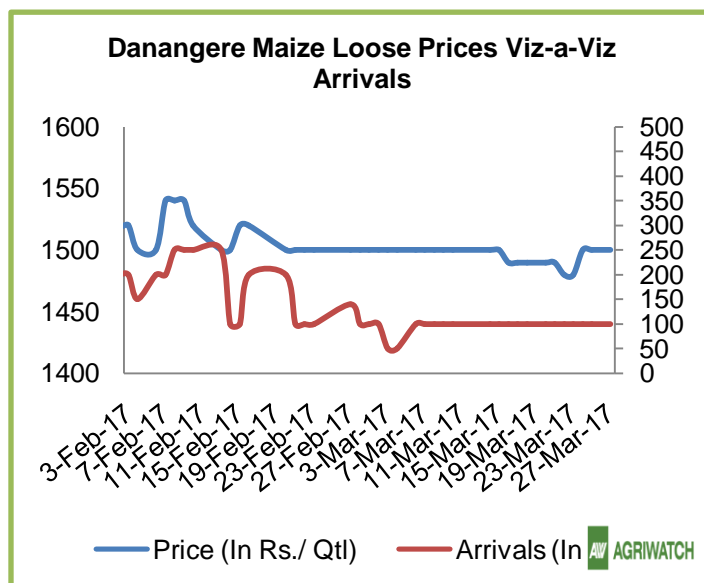
1st April, 2017

STATE - WISE MARKET DYNAMICS

Karnataka

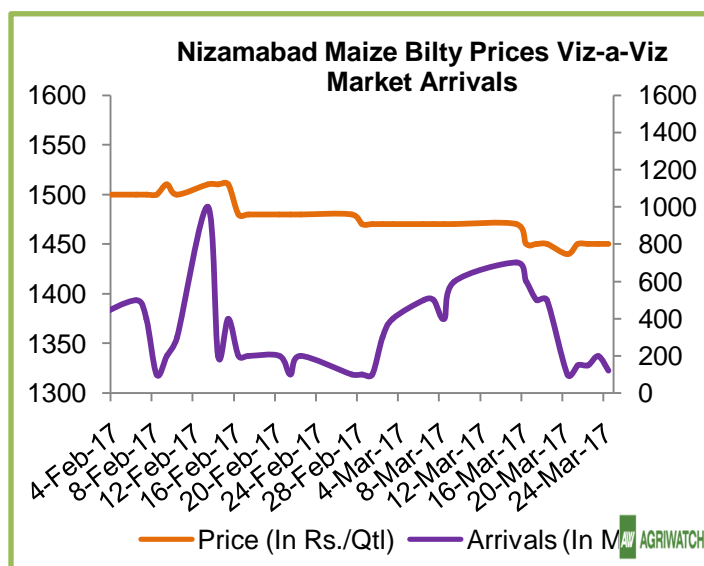
In Davangere, maize is likely to trade (loose) in a range of Rs. 1400-1500 per quintal during the month of April. Stock of maize could be around 5,00,000 quintals which is same compared to last year.

During the month of March, Arrival pressure from Maharashtra limits the demand of Tamil Nadu' feed makers.



ANDHRA PRADESH:

In Nizamabad, it is likely to trade (Bilty) in a range of Rs. 1420-1450 per quintal during the month of April.

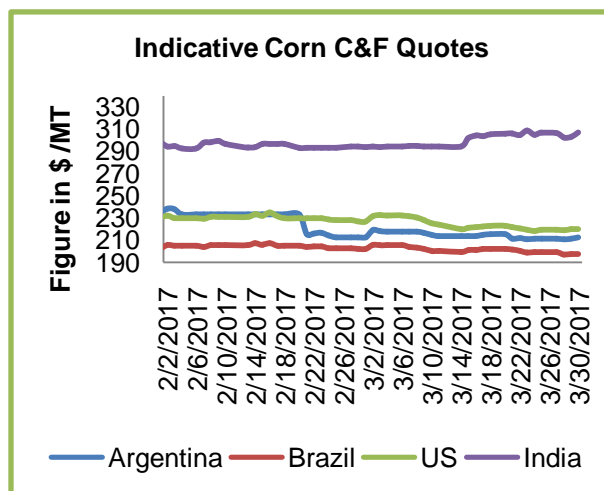
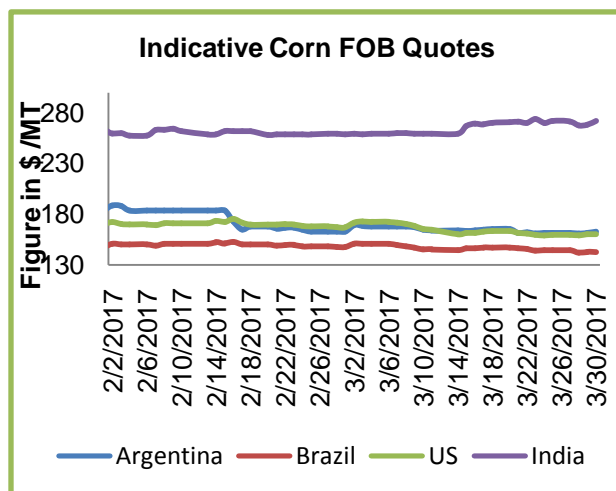


DOMESTIC PRICE OUTLOOK:

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

1st April, 2017

ON THE EXPORT-IMPORT FRONT:



| Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 64.93) | | | | |
|--|-----------|--------|--------|--------|
| As on 30.3.2017 | Argentina | Brazil | US | India |
| FOB | 162.80 | 142.64 | 160.07 | 272.13 |
| Cost and Freight (C&F) | 212.80 | 197.64 | 220.07 | 307.13 |

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.

- We are unable to update export-import data as Govt has restricted the latest IBIS data for Public domain. We will be able to update it as and when available.

1st April, 2017

FUTURES MARKET ANALYSIS: NCDEX MAIZE JUNE CONTRACT (WEEKLY CHART)


- Candlestick depicts gain in the market.
- Increase in prices with higher volume and OI indicates long build up.
- Strategy: Buy near level 1332 and target1 and target2 would be 1350 and 1359.

Support & Resistance

| S2 | S1 | PCP | R1 | R2 |
|------|------|------|------|------|
| 1304 | 1321 | 1339 | 1362 | 1380 |

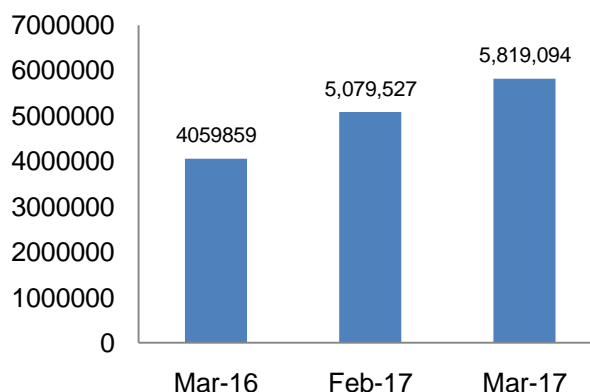
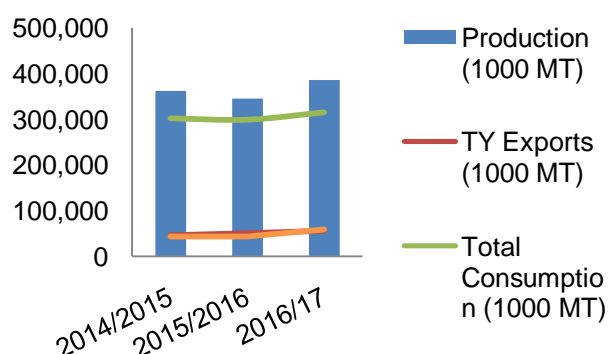
1st April, 2017

INTERNATIONAL MARKET SCENARIO:

U.S.

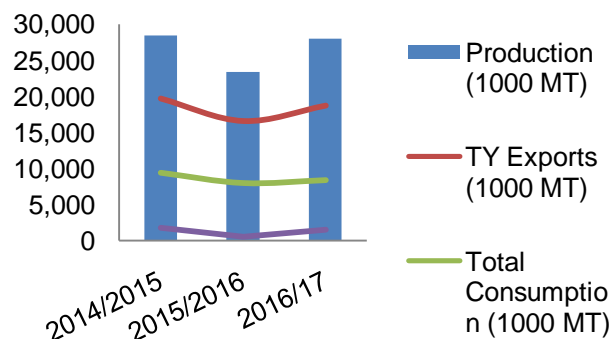
As per USDA, U.S corn exports reached 30.53 MMT in the 2016-17 marketing year. At 5.81 MMT (for the period 1st March- 23rd March, 2017) exports were firm by 14.56 percent from the previous month and 43 percent from the corresponding period of last year.

USDA kept unchanged its corn ending stock estimates for U.S at 58.933 MMT for 2016/17 compared to last month.

US Corn Exports in MetricTons

U.S Production, Consumption, Export & Ending Stock Scenario


UKRAINE

USDA kept unchanged its ending stock estimates for Ukraine at 1.535 MMT for 2016/17 compared to last month.

Ukraine Production, Consumption, Export & Ending Stock Scenario


ARGENTINA

USDA increased its corn ending stock forecast for Argentina by 0.5 MMT to 2.558 MMT for 2016/17 compared to last month due to increase in production estimate.

1st April, 2017**BRAZIL**

USDA increased its corn ending stock forecast for Brazil by 1.4 MMT to 7.842 MMT for 2016/17 compared to last month.

CHINA

USDA kept unchanged its corn ending stock forecast for China at 102.308 MMT for 2016/17 compared to last month.

JAPAN

Preliminary Japanese government data shows that Japan's use of corn in animal feed production fell by 0.2 % to 46.1% in the January'17 compared to same month last year as users' reliance on alternatives such as wheat and barley increased.

GLOBAL

USDA increased its world corn ending stock estimates by 3.116 MMT to 220.678 MMT for 2016/17 compared to last month due to increase in production estimate for Brazil and Argentina crop. Brazil crop production is increased by 5 MMT to 91.5 MMT while Argentina crop production is increased by 1 MMT to 37.5 MMT for 2016/17 compared to last month forecast.

IGC also raised its forecast for the 2016/17 global corn production by 4 MMT to 1053 MMT compared to previous forecast and 79 MMT compared to last year. It also forecast for 2017/18 global corn production at 1024 MMT. Forecast for global corn ending stock was up by 1 MMT to 225 MMT compared to last forecast for 2016/17.

GLOBAL TRADES

MFIG, maize industry procurement association of Taiwan, purchased about 65,000 MT of corn likely to be sourced from the United States at a premium of 119.11 U.S. cents c&f over the Chicago July corn contract. Shipment could be around April 18 to May 7 if sourced from the U.S. Gulf, Brazil or Argentina or it could be around May 3-22 if sourced from the U.S. Pacific North West coast or South Africa.

Due to tight supplies of high-quality corn in southern China, Chinese importers have booked around 195,000 MT of corn from the Pacific Northwest, U.S. at \$195 / MT (Delivered price) for the shipment in the late spring to early summer.

South Korea's Nonghyup Feed Inc. bought 199,000 MT of corn in three consignments. One consignment of 68,000 MT was purchased at \$188.93 per MT c&f plus a \$ 0.95 per MT surcharge for additional port unloading for arrival around July 10. Another consignment of 65,000 MT was bought at a premium of \$1.15 c&f over the Chicago July corn contract plus a \$1.0 per MT surcharge for additional port unloading for arrival around July 20. Rest 66,000 MT was purchased in the third consignment at a premium of \$1.11 c&f over the Chicago July corn contract plus a \$1.0 per MT surcharge for additional port unloading for arrival around Aug. 1.

South Korea's Korea Corn Processing Industry Association purchased about 60,000 MT of corn likely to be sourced from U.S at \$199.52 per MT c&f including surcharge for additional port unloading for arrival around May 25, with shipment around April 20 to May 10 from the U.S. Pacific North West coast or April 1-20 from the U.S. Gulf.

1st April, 2017

Besides, it also bought about 60,000 MT of corn to be sourced from optional origins at \$192.75 per MT c&f including surcharge for additional port unloading for arrival around June 10.

INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 0.30 USD/MT to 141.14 USD/MT for May contract compared to last month due to high export demand. However, projection for ample global stocks could weigh on market sentiments.

Monthly Spot Price Comparison

| Month-wise Average prices of Maize at various markets | | | | | |
|---|-------------|----------------|-------------|---------------------------|--------------------------|
| Market | 2017- March | 2016- February | 2016- March | % Change from Prev. Month | % Change from Prev. Year |
| Delhi | 1556 | 1580 | 1669 | -1.52 | -6.77 |
| Davangere | 1496 | 1514 | 1360 | -1.19 | 10.00 |
| Shimoga | 1541 | 1613 | 1475 | -4.46 | 4.47 |
| Bagalkot | 1456 | 1425 | 1380 | 2.18 | 5.51 |
| Gadag | 1477 | 1497 | 1352 | -1.34 | 9.25 |
| Nizamabad | 1417 | 1435 | 1361 | -1.25 | 4.11 |
| Khanna | 1525 | 1509 | 1677 | 1.06 | -9.06 |
| Sangli | 1542 | 1538 | 1476 | 0.26 | 4.47 |
| Gulabgh | 1437 | 1538 | NA | -6.57 | - |
| Naugachia | 1343 | 1502 | 1335 | -10.59 | 0.60 |

CBOT Corn Future Prices

| Maize CBOT Monthly Futures Price Listing (\$/MT) | | | | |
|--|----------------|-----------|-----------|--------|
| | Contract Month | 3/30/2017 | 2/27/2017 | Change |
| Corn CBOT Prices | May-17 | 141.14 | 140.84 | 0.30 |
| | July-17 | 144.09 | 143.69 | 0.40 |
| | Sep-17 | 146.94 | 146.45 | 0.49 |
| | Dec-17 | 150.39 | 149.11 | 1.28 |
| | Mar-18 | 154.13 | 151.76 | 2.37 |

1st April, 2017**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>
© 2017 Indian Agribusiness Systems Pvt. Ltd.