

**EXECUTIVE SUMMARY****DOMESTIC MAIZE MARKET SUMMARY**

Major maize cash markets traded mixed during the week under review and is likely to trade range bound ahead amid regular feed makers demand.

As per Government data, maize has been sown in 7.32 lakh hectares as on 4th December, 2015, lower by 1.13 lakh hectares than the corresponding period of last year as Bihar has covered 1.85 lakh hectares; lower by 1.32 lakh hectares for the corresponding period of last year. However, other growing states like Maharashtra, Tamil Nadu and Karnataka have covered 1.69, 1.54, 1.48 and 0.79 lakh hectares so far respectively which are higher than corresponding period of last year.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 30 per quintal to Rs. 1610 per quintal. Starch feed makers also quoted it down by Rs. 35 per quintal to Rs. 1625 per quintal as compared to last week.

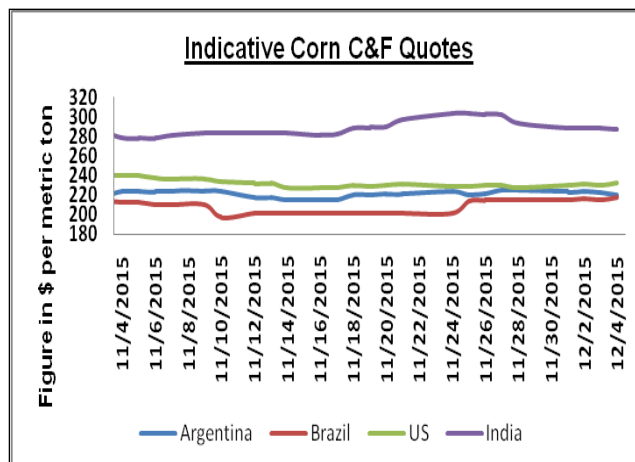
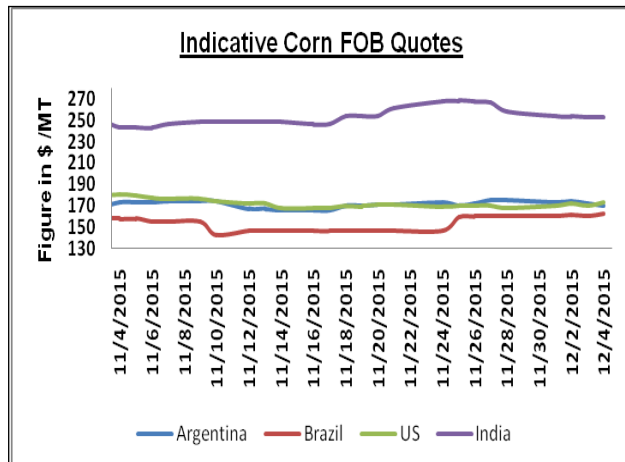
**RECOMMENDATION:**

Weekly Call - : Market participants are advised to go long in Maize near 1520 levels for a target of 1544 and 1556 with a stop loss at 1507 on closing basis. In Davangere cash market, maize prices are likely to trade down in a range of Rs. 1420-1450 per quintal for the week.

**INTERNATIONAL CORN MARKET SUMMARY**

Corn prices on CBOT fall by 0.79 USD/MT to 143.27 USD/MT for December contract and could trade down further on expectations that cheaper Argentine corn will capture international market soon.

### EXPORT PARITY TREND:



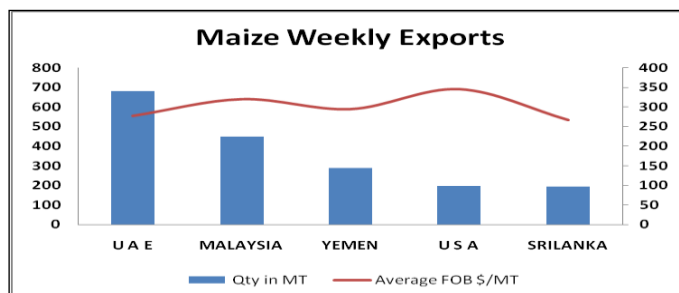
### Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.83)

| As on 13.11.2015       | Argentina | Brazil | US    | India  |
|------------------------|-----------|--------|-------|--------|
| FOB                    | 170.08    | 162.5  | 172.8 | 252.87 |
| Cost and Freight (C&F) | 220.08    | 217.5  | 232.8 | 287.87 |

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.

### EXPORT BREAK UP BY MAJOR COUNTRIES

- As per IBIS data, around 2462 MT was exported mainly to UAE followed by Malaysia and Yemen during the period 23<sup>rd</sup> November'15 to 29<sup>th</sup> November'15. Agriwatch expects total export demand to remain lower during 2015/16 due to export disparity.



**BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:**

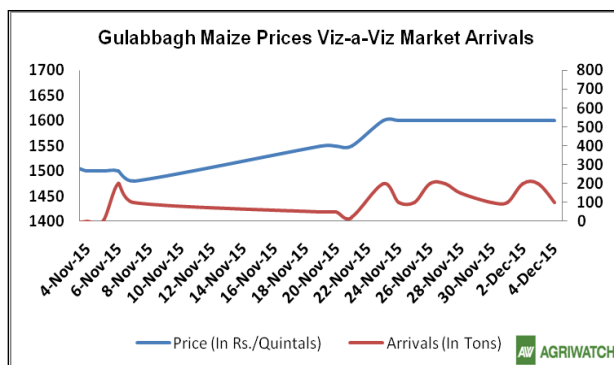
| Destination        | By Road (Rs/MT)             | By Rake (Rs/MT) |
|--------------------|-----------------------------|-----------------|
| <b>Bangalore</b>   | 15500<br>(Davangere Origin) | N.A             |
| <b>Namakkal</b>    | 16000<br>(Davangere Origin) | N.A             |
| <b>Sangli</b>      | 15800<br>(Davangere Origin) | N.A             |
| <b>Chennai</b>     | 16000<br>(Davangere Origin) | N.A             |
| <b>Chitradurga</b> | 15300<br>(Davangere Origin) | N.A             |
| <b>Kolkata</b>     | 18500<br>(Bihar Origin)     | N.A             |

**CURRENT MARKET DYNAMICS:**

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

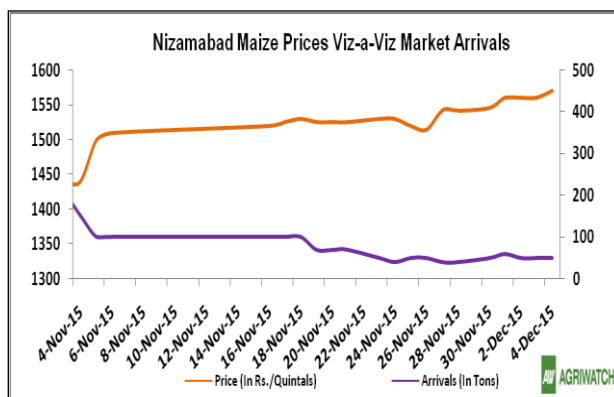
**BIHAR:**

- In Bihar, as per trade sources, maize sowing area is expected to increase by around 15-20% due to shift from wheat to maize. Maize sourced from Bihar is moving towards Kolkata at Rs.1750-1850 per quintal. Maize is likely to trade steady to slightly firm ahead. In Gulabghat, stock of maize could be around 25000 MT which was around 60000 MT during the corresponding period of last year.



**ANDHRA PRADESH:**

- In Nizamabad cash market, maize is likely to trade steady to slightly firm amid poultry feed makers demand. In Nizamabad, maize stock position in the Government's warehouse is around 15,000 MT and 10,000 MT in the hands of private traders. Stock position in the Government's warehouse was around 25,000 MT during the corresponding period of last year.



### KARNATAKA:

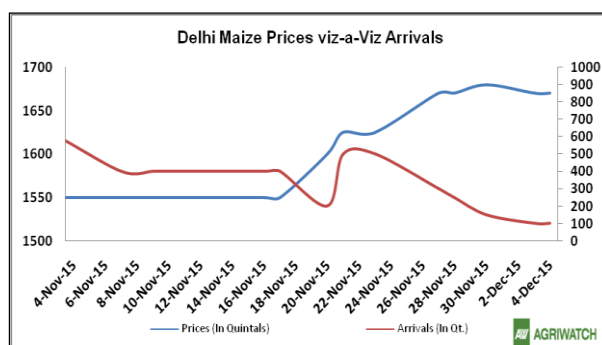
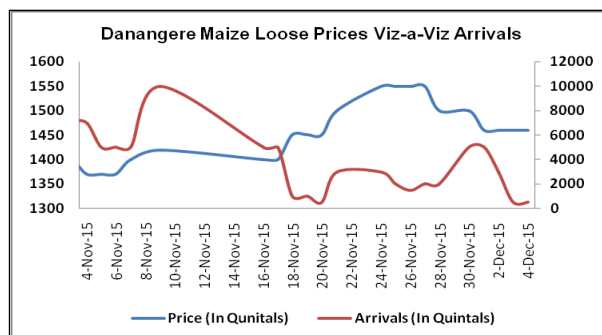
- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1550 per quintal, Rs. 1600 per quintal, Rs. 1530 per quintal, Rs. 1580 per quintal and Rs. 1600 per quintal respectively. Market is expected to trade slightly weak as crop contains 16-18% moisture.

### DELHI:

- In Delhi, maize is likely to trade firm in the near term due to feed makers and stockiest' demand.

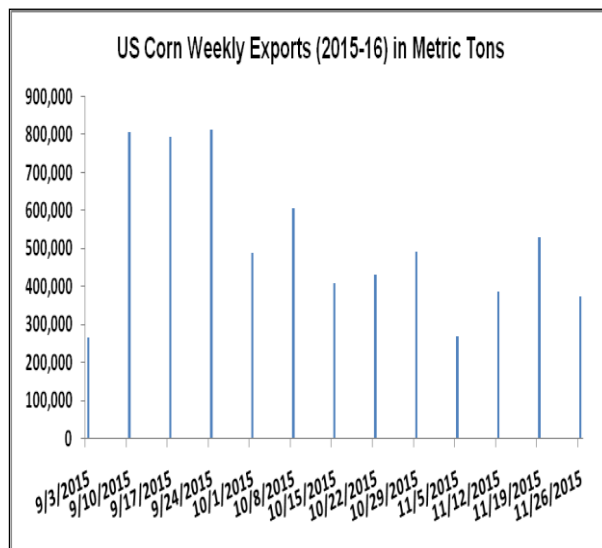
### DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade range bound amid regular feed makers demand.



### INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 66,81,154 metric tons in the 2015-16 marketing year. At 3,73,842 MT (for the period 20<sup>th</sup> Nov-26<sup>th</sup> Nov, 2015) exports were down 30 percent from the previous week and 11 percent from the prior 4-week average. The primary destinations were Japan (114,700 MT), Mexico (102,900 MT), Peru (33,300 MT), Honduras (30,100 MT), Guatemala (27,700 MT), and Colombia (19,700 MT).
- Informa Economics raised its corn production projection of Argentina for 2016 by 2.5 MMT to 21 MMT as compared to last month. However, it lowered its projection for Brazil' all corn production by 0.5 MMT to 81.3 MMT as compared to last month.
- Argentina' latest move (likely) to abolish 20% export tax on maize is likely to increase supply in domestic as well as global market. Market experts view it as bearish tone in global corn market. Argentina is sitting on a huge stockpile of corn and local farmers are intending to increase maize area under new emerging condition. Argentina is expected to double its maize export volume in next 4 years i.e. actual tenure of 4 years of the new government.



### INTERNATIONAL MAIZE OUTLOOK:

Corn prices on CBOT fall by 0.79 USD/MT to 143.27 USD/MT for December contract and could trade down further on expectations that cheaper Argentine corn will capture international market soon.

### FUTURES MARKET ANALYSIS: NCDEX MAIZE:



### (December Contract Weekly Chart)

- Last candlestick depicts down in the market.
- RSI is moving down in neutral zone.
- Prices closed above 9 days EMAs.
- Decrease in prices with lower OI indicates long liquidation.
- Strategy: Buy near 1520 for target 1544 and 1556 in the near term.

### Strategy: Buy

### Maize NCDEX (December)

#### Support & Resistance

| S2   | S1   | PCP  | R1   | R2   |
|------|------|------|------|------|
| 1475 | 1503 | 1540 | 1567 | 1595 |

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize prices are likely to trade down in a range of Rs. 1420-1450 per quintal for the week.

### ANNEXURE

#### MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

| Market     | Grade        | 3-Dec-15 | 26-Nov-15 | 3-Nov-15 | 3-Dec-14 | 3-Dec-13 |
|------------|--------------|----------|-----------|----------|----------|----------|
| Delhi      | Hybrid       | 1670     | 1670      | 1550     | 1270     | 1450     |
| Davangere  | Loose        | 1460     | 1550      | 1400     | 1070     | 1300     |
| Shimoga    | Bilty        | 1550     | 1550      | 1550     | 1030     | 1200     |
| Ranebennur | Bilty        | NA       | NA        | NA       | 1140     | 1200     |
| Bagalkot   | Hybrid/Local | 1508     | NA        | 1400     | 1071     | 1116     |
| Gadag      | Local        | NA       | 1481      | 1315     | NA       | 1102     |
| Nizamabad  | Bilty        | 1560     | 1514      | 1440     | 1225     | 1275     |
| Khanna     | Bilty        | NA       | NA        | NA       | 1400     | 1480     |
| Ludhiana   | Bilty        | 1500     | 1500      | 1500     | 1300     | 1430     |
| Sangli     | Bilty        | 1590     | 1618      | 1487     | 1210     | 1168     |
| Ahmadabad  | Feed         | 1600     | 1670      | 1550     | 1240     | 1300     |
|            | Starch       | 1625     | 1650      | 1560     | 1270     | 1320     |

| Maize CBOT Weekly Futures Price Listing (USD/Ton) |                |           |            |        |
|---|----------------|-----------|------------|--------|
|   | Contract Month | 12/2/2015 | 11/25/2015 | Change |
| Corn CBOT Prices                                  | Dec-15         | 143.27    | 144.06     | -0.79  |
|   | Mar-15         | 145.73    | 146.71     | -0.98  |
|   | May-15         | 147.99    | 148.88     | -0.89  |
|   | Jul-15         | 150.16    | 150.95     | -0.79  |
|   | Sep-15         | 151.73    | 152.42     | -0.69  |

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