

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Major maize cash markets traded mixed during the week under review. However, it is likely to domestic maize market plunge followed by the talks on the reduction of import duty on maize.

As per Government data, maize has been sown in 8.14 lakh hectares as on 11th December, 2015, lower by 1.51 lakh hectares than the corresponding period of last year as Bihar has covered 1.85 lakh hectares; lower by 1.69 lakh hectares for the corresponding period of last year. However, other growing states like Tamil Nadu, Maharashtra and Karnataka have covered 1.80, 1.54, 1.80 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 firm by Rs. 25 per quintal to Rs. 1625 per quintal. Starch feed makers also quoted it firm by Rs. 35 per quintal to Rs. 1660 per quintal as compared to last week.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize near 1530 levels for a target of 1490 and 1470 with a stop loss at 1554 on closing basis. In Davangere cash market, maize prices are likely to trade down in a range of Rs. 1380-1400 per quintal for the week.

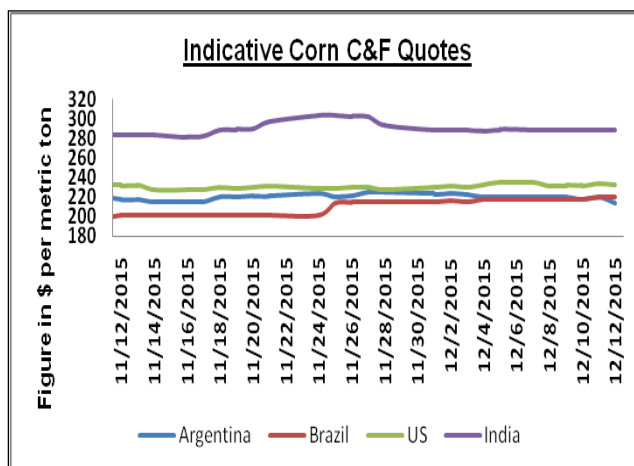
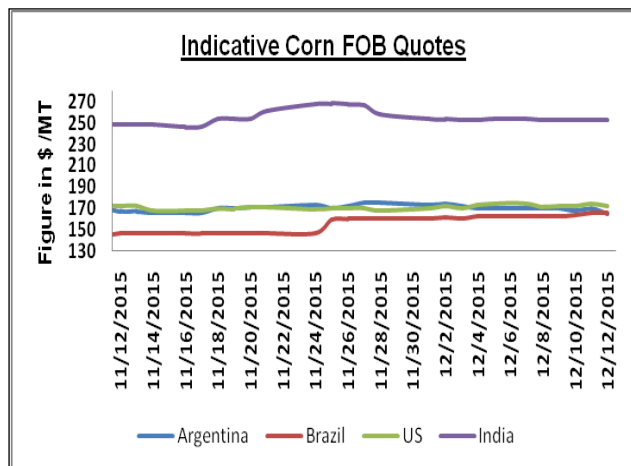
INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 3.05 USD/MT to 146.32 USD/MT for December contract on better than expected U.S. weekly export sales. Agriwatch expects demand for U.S corn will be low ahead on expectations that cheaper Argentine corn will capture international market soon.

Argentina is likely to abolish 20% export tax on maize soon.

Corn ending stocks for U.S are forecasted higher by 0.635 MMT to 45.336 MMT for 2015/16 as compared to November month forecast.

EXPORT PARITY TREND:



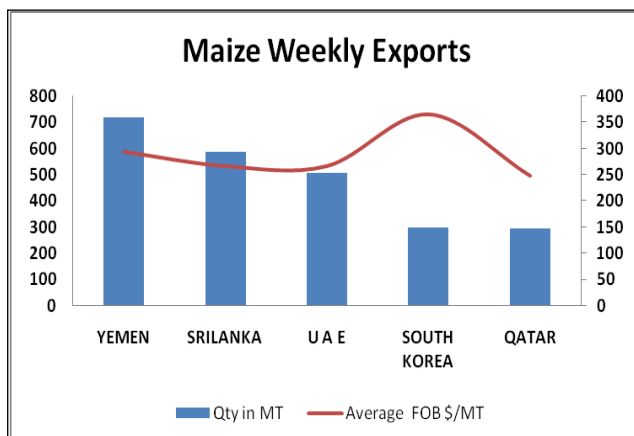
Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.14)

As on 12.12.2015	Argentina	Brazil	US	India
FOB	164.47	165.25	172.5	253.05
Cost and Freight (C&F)	214.47	220.25	232.5	288.05

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 3292 MT was exported mainly to Yemen followed by Srilanka and UAE during the period 30th November'15 to 6th December'15, higher by 33.7% as compared to last week. Agriwatch expects total export demand to remain lower during 2015/16 due to export disparity.
- As per IBIS data, around 7226 MT was exported mainly to Yemen followed by UAE for the month of November, lower by 36.5% compared to last month. 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:

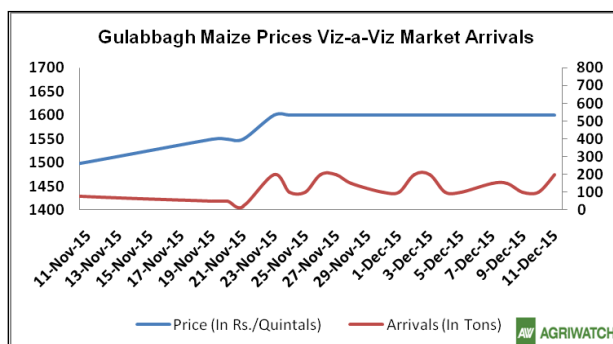
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	15500 (Davangere Origin)	N.A
Namakkal	16000 (Davangere Origin)	N.A
Sangli	15500 (Davangere Origin)	N.A
Chennai	16000 (Davangere Origin)	N.A
Chitradurga	15250 (Davangere Origin)	N.A
Kolkata	18000 (Bihar Origin)	N.A

CURRENT MARKET DYNAMICS:

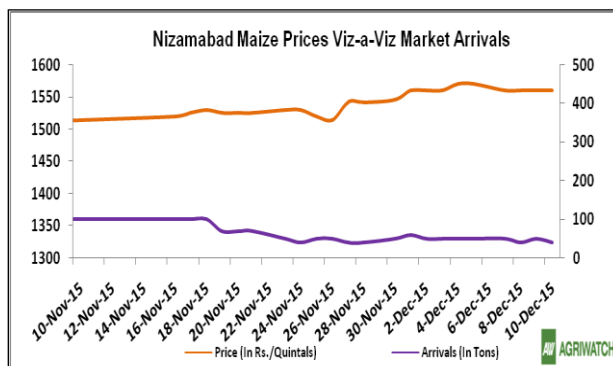
During the week under review, mixed sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics were as under:

BIHAR:

- Maize sourced from Bihar is moving towards Kolkata at Rs.1750-1800 per quintal. Maize is likely to trade down in near term. 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, 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:

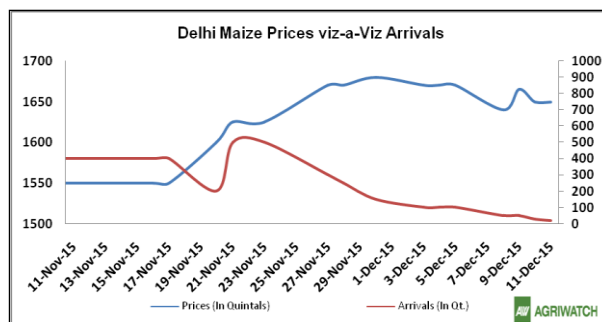
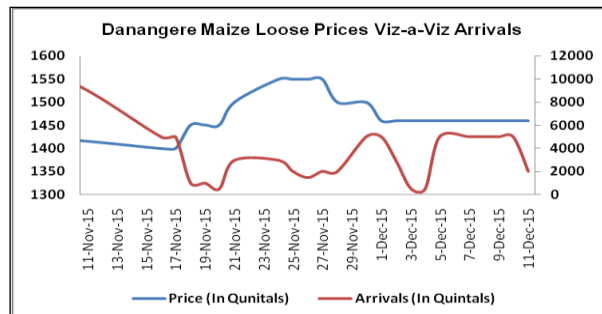
- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1550 per quintal, Rs. 1600 per quintal, Rs. 1525 per quintal, Rs. 1550 per quintal and Rs. 1600 per quintal respectively. Market is expected to trade slightly weak as crop contains 16-18% moisture.

DELHI:

- In Delhi, maize is likely to trade slightly down in the near term.

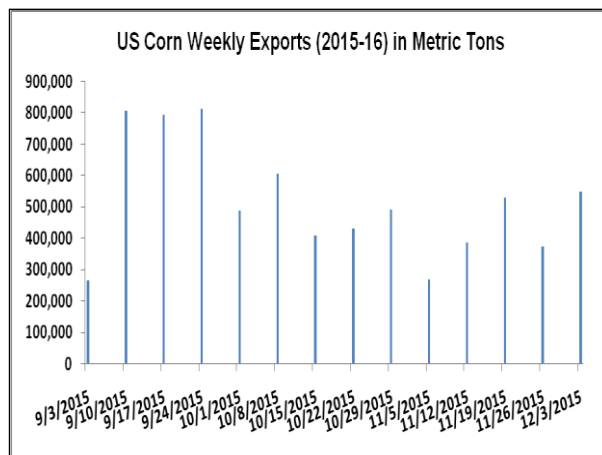
DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to plunge followed by the talks on the reduction of import duty on maize.



INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 72,30,996 metric tons in the 2015-16 marketing year. At 5,49,842 MT (for the period 27th Nov-3rd Dec, 2015) exports were up 47 percent from the previous week and 41 percent from the prior 4-week average. The primary destinations were Mexico (250,500 MT), Japan (126,000 MT), Colombia (72,700 MT), Peru (27,500 MT), Jamaica (17,900 MT), and El Salvador (14,600 MT).
- Argentina is likely to abolish 20% export tax on maize soon; would 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.
- Corn ending stocks for U.S are forecasted higher by 0.635 MMT to 45.336 MMT for 2015/16 as compared to November month forecast and 0.724 MMT from the last year as exports from U.S is forecasted lower by 1.5 MMT to 44.5 MMT as compared to last month and 0.773 MMT as compared to last year. We expect corn on CBOT could decrease on low export demand for U.S corn amid increasing ending stock.



INTERNATIONAL MAIZE OUTLOOK:

Corn prices on CBOT rose by 3.05 USD/MT to 146.32 USD/MT for December contract on better than expected U.S. weekly export sales. Agriwatch expects demand for U.S corn will be low ahead on expectations that cheaper Argentine corn will capture international market soon.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(January Contract Weekly Chart)

- Last candlestick depicts down in the market.
- RSI is moving down in neutral zone.
- Prices closed below 9 days EMAs.
- Decrease in prices with higher OI indicates short build up.
- Strategy: Sell near 1530 for target 1490 and 1470 in the near term.

Strategy: Sell

Maize NCDEX (January)

Support & Resistance				
S2	S1	PCP	R1	R2
1424	1469	1536	1561	1586

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize prices are likely to trade down in a range of Rs. 1380-1400 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	10-Dec-15	3-Dec-15	10-Nov-15	10-Dec-14	10-Dec-13
Gulabbagh	Bilty	1600	1600	Closed	1340	1420
Delhi	Hybrid	1650	1670	1550	1280	1460
Davangere	Loose	1460	1460	Closed	1080	1200
Shimoga	Bilty	1550	1550	NA	1030	1310
Ranebennur	Bilty	NA	NA	NA	1125	1280
Bagalkot	Hybrid/Local	1550	1508	NA	1101	1118
Gadag	Local	1450	NA	NA	1089	1409
Nizamabad	Bilty	1560	1560	Closed	1225	1275
Khanna	Bilty	NA	NA	NA	1400	1480
Ludhiana	Bilty	1500	1500	1500	1300	1450
Sangli	Bilty	1570	1590	1520	1199	1204
Ahmadabad	Feed	1620	1600	Closed	1265	1310
	Starch	1650	1625	Closed	1260	1350

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	12/9/2015	12/2/2015	Change
Corn CBOT Prices	Dec-15	146.32	143.27	3.05
	Mar-15	147.11	145.73	1.38
	May-15	149.27	147.99	1.28
	Jul-15	151.24	150.16	1.08
	Sep-15	152.82	151.73	1.09

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