

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

Maize market is likely to reel under pressure once again with latest developments in market. Trade sources say that govt. has proposed to allow import to the level of 13 lakh tons. Besides, import duty may be slashed from 30 to 3 percent soon. With these developments import window has opened and a consignment of 13,000 MT maize is scheduled to be offloaded at Kandla in the price range of \$220 to 225 per ton. As limit has been increased to 13 lakh tons, more deals seem on the card. As parity is in favor of importers, import from Brazil, Ukraine may happen. Imported maize is expected to be of non GMO quality. However, in case of any suspicion of imported maize can be tested at port.

As per Government data, maize has been sown in 9.96 lakh hectares as on 18th December, 2015, lower by 0.50 lakh hectares than the corresponding period of last year. Bihar has covered 3.44 lakh hectares; lower by 0.10 lakh hectares of the corresponding period of last year. However, other growing states like Maharashtra and Tamil Nadu have so far covered 1.92 and 1.80 lakh hectares respectively which are higher than corresponding period of last year. In Gujarat, maize has been sown in 0.46 lakh hectares, lower by 0.12 lakh hectares than the corresponding period of last year while in Maharashtra; it has been sown in 1.92 lakh hectares, higher by 0.37 lakh hectares than the corresponding period of last year. In Tamilnadu, it has been sown in 1.8 lakh hectares, higher by 0.10 lakh hectares than the corresponding period of last year while in Coastal Karnataka, it has been sown in 0.81 lakh hectares, lower by 0.03 lakh hectares than the corresponding period of last year.

Around 1837 MT was exported mainly to UAE followed by Malaysia and Srilanka during the period 14<sup>th</sup> December'15 to 20<sup>th</sup> December'15.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 25 per quintal to Rs. 1600 per quintal. Starch feed makers also quoted it firm by Rs. 50 per quintal to Rs. 1650 per quintal as compared to last week.

**RECOMMENDATION:**

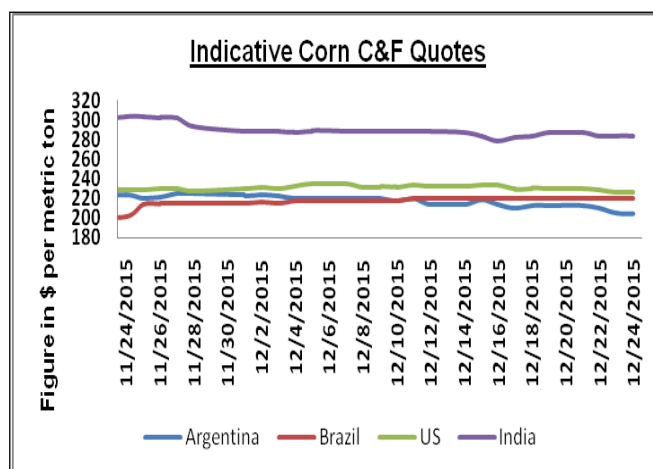
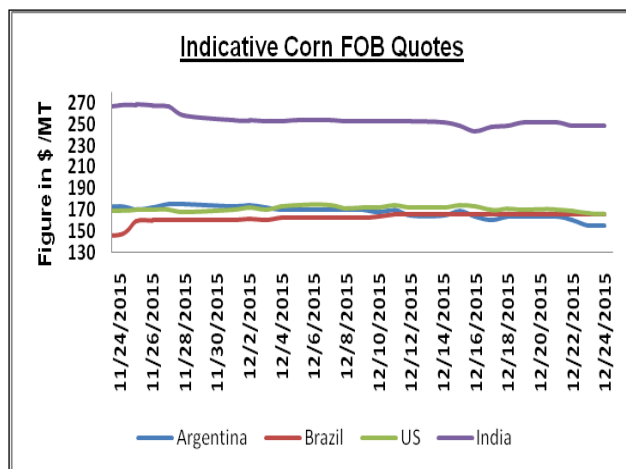
Weekly Call - : Market participants are advised to go short in Maize near 1512 levels for a target of 1488 and 1476 with a stop loss at 1526 on closing basis. In Davangere cash market, maize prices are likely to trade down in a range of Rs. 1400-1420 per quintal for the week.

**INTERNATIONAL CORN MARKET SUMMARY**

Corn prices on CBOT fall by 1.67 USD/MT to 143.86 USD/MT for March contracts on ample global grain supplies.

At 8,23,584 MT (for the period 11<sup>th</sup> Dec- 17<sup>th</sup> Dec, 2015) exports were up 66 percent from the previous week and 75 percent from the prior 4-week average.

### EXPORT PARITY TREND:



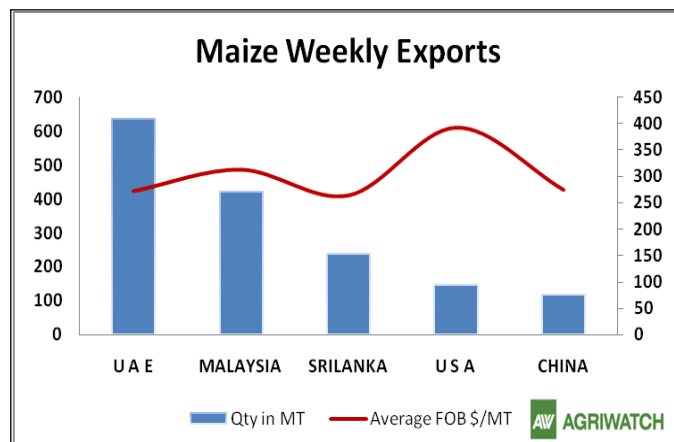
### Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.02)

As on 24.12.2015	Argentina	Brazil	US	India
FOB	154.92	165.25	165.94	249.14
Cost and Freight (C&F)	204.92	220.25	225.94	284.14

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 1837 MT was exported mainly to UAE followed by Malaysia and Srilanka during the period 14<sup>th</sup> December'15 to 20<sup>th</sup> December'15, lower by 33% as compared to last week. 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:**

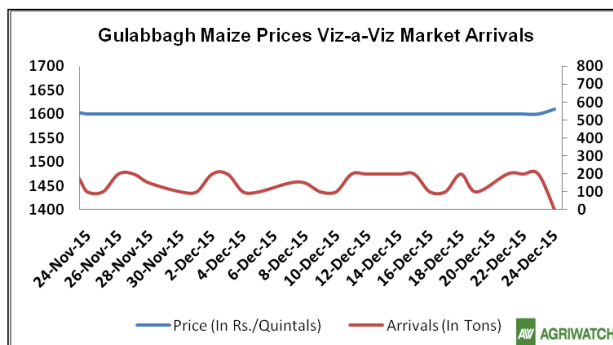
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	15000 (Davangere Origin)	N.A
<b>Namakkal</b>	15000 (Davangere Origin)	N.A
<b>Sangli</b>	15000 (Davangere Origin)	N.A
<b>Chennai</b>	15000 (Davangere Origin)	N.A
<b>Chitradurga</b>	14500 (Davangere Origin)	N.A

**CURRENT MARKET DYNAMICS:**

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

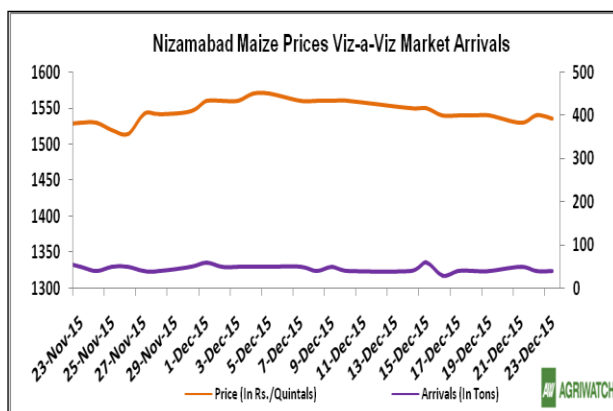
**BIHAR:**

- 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 20,000 MT and 5,000 MT in the hands of private traders during the corresponding period of last year. Maize is likely to trade steady in the near term.



## KARNATAKA:

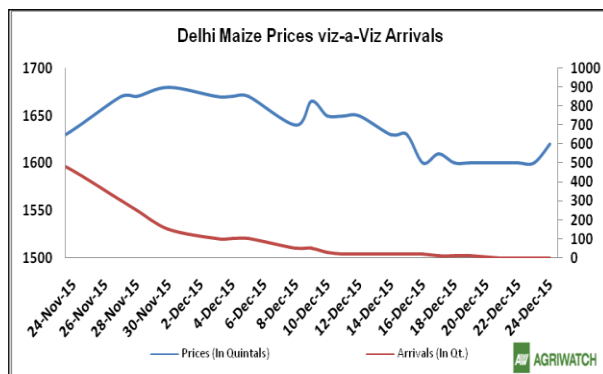
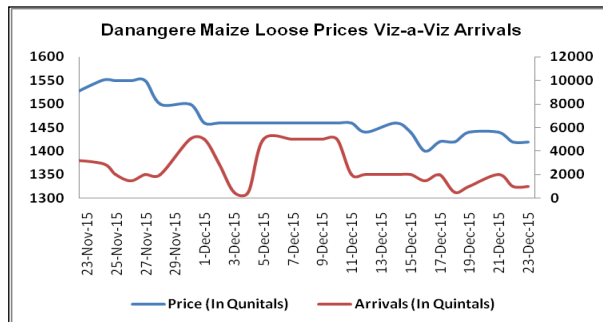
- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1500 per quintal, Rs. 1500 per quintal, Rs. 1450 per quintal, Rs. 1500 per quintal and Rs. 1500 per quintal respectively. Market is expected to trade steady in the near term.

## DELHI:

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

## DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade weak on the expectation of imports in the near term.

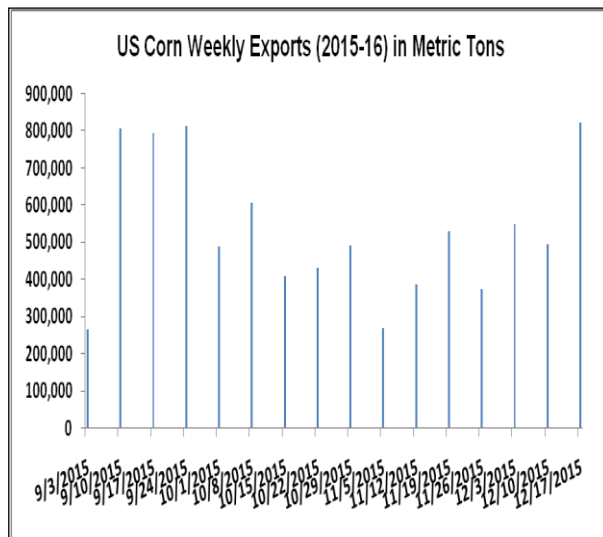


## INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 84,86,631 metric tons in the 2015-16 marketing year. At 8,23,584 MT (for the period 11<sup>th</sup> Dec-17<sup>th</sup> Dec, 2015) exports were up 66 percent from the previous week and 75 percent from the prior 4-week average. The primary destinations were Mexico (164,500 MT), Japan (148,500 MT), Saudi Arabia (143,700 MT), Colombia (138,600 MT), South Korea (71,500 MT), Panama (35,300 MT), and Taiwan (34,700 MT).

## INTERNATIONAL MAIZE OUTLOOK:

Corn prices on CBOT fall by 1.67 USD/MT to 143.86 USD/MT for March contracts on ample global grain supplies.



### 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 1512 for target 1488 and 1476 in the near term.

#### Strategy: Sell

#### Maize NCDEX (January)

Support & Resistance				
S2	S1	PCP	R1	R2
1461	1475	1497	1535	1553

**DAVANGERE MARKET ANALYSIS: MAIZE**



In Davangere cash market, maize prices are likely to trade down in a range of Rs. 1400-1420 per quintal for the week.

**ANNEXURE**

**MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)**

Market	Grade	23-Dec-15	17-Dec-15	23-Nov-15	24-Dec-14	24-Dec-13
Gulabbagh	Bilty	1610	1600	1600	1270	1400
Delhi	Hybrid	1620	1610	1625	1290	1460
Davangere	Loose	1420	1420	NA	1080	1230
Shimoga	Bilty	NA	NA	NA	1050	NA
Ranebennur	Bilty	NA	1430	NA	NA	NA
Bagalkot	Hybrid/Local	NA	1411	1471	1135	NA
Gadag	Local	NA	1410	1456	1079	NA
Nizamabad	Bilty	1535	1540	1530	1225	1051
Khanna	Bilty	NA	NA	NA	1390	1460
Sangli	Bilty	1520	1530	1612	1211	1186
Ahmadabad	Feed	1580	1570	1600	1270	1280
	Starch	1625	1600	1600	1250	1300

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	12/23/2015	1216/2015	Change
Corn CBOT Prices	Mar-16	143.86	145.53	-1.67
	May-16	146.32	147.70	-1.38
	Jul-16	148.68	149.76	-1.08
	Sep-16	150.45	151.14	-0.69
	Dec-16	153.50	154.00	-0.50

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