

## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

As per Government data, maize has been sown in 11.49 lakh hectares as on 1<sup>st</sup> January, 2016, lower by 0.73 lakh hectares than the corresponding period of last year. Bihar has covered 4.28 lakh hectares; higher by 0.32 lakh hectares of the corresponding period of last year. Maharashtra and Tamil Nadu have covered 2.03 and 1.87 lakh hectares respectively which are higher than corresponding period of last year while in Coastal Karnataka, Gujarat and A.P, it has been sown in 0.83, 0.62 and 0.56 lakh hectares respectively, lower than the corresponding period of last year.

Around 3305 MT was exported mainly to Srilanka and UAE followed by Yemen and Malaysia during the period 21<sup>st</sup> December'15 to 27<sup>th</sup> December'15.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 10 per quintal to Rs. 1610 per quintal while starch feed makers quoted it down by Rs. 25 per quintal to Rs. 1625 per quintal as compared to last week.

### RECOMMENDATION:

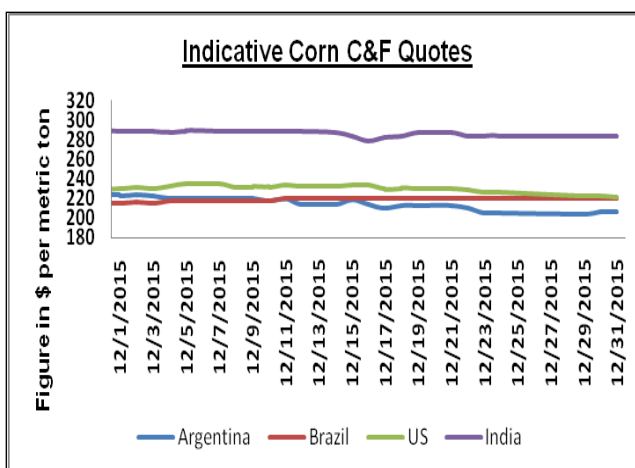
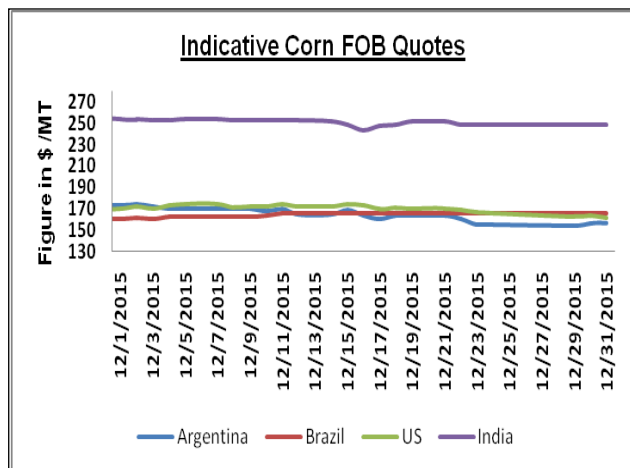
Weekly Call - : Market participants are advised to go short in Maize near 1500 levels for a target of 1476 and 1464 with a stop loss at 1514 on closing basis. In Davangere cash market, maize prices are likely to trade down at Rs. 1400 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 2.56 USD/MT to 141.30 USD/MT for March contracts due to low export demand for U.S corn.

At 5,56,412 MT (for the period 18<sup>th</sup> Dec- 24<sup>th</sup> Dec, 2015) corn exports were down 32 percent from the previous week, but up 2 percent from the prior 4-week average.

### EXPORT PARITY TREND:



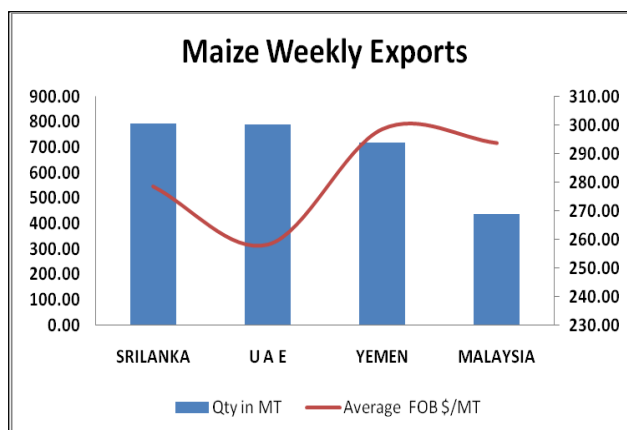
### Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.32)

As on 31.12.2015	Argentina	Brazil	US	India
FOB	156.69	NA	161.81	248.69
Cost and Freight (C&F)	206.69	NA	221.81	283.69

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 3305 MT was exported mainly to Srilanka and UAE followed by Yemen and Malaysia during the period 21<sup>st</sup> December'15 to 27<sup>th</sup> December'15, higher by 80% 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:**

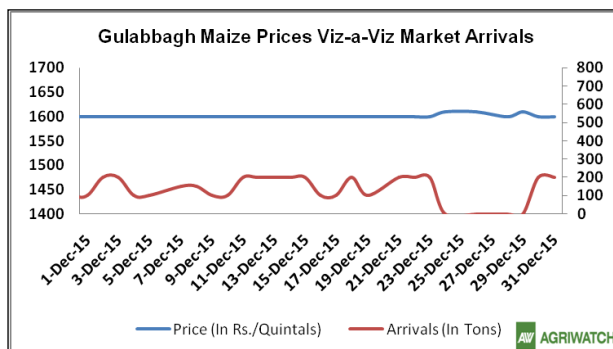
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	14700 (Davangere Origin)	N.A
<b>Namakkal</b>	15000 (Davangere Origin)	N.A
<b>Sangli</b>	14500 (Davangere Origin)	N.A
<b>Chennai</b>	15000 (Davangere Origin)	N.A
<b>Chitradurga</b>	14500 (Davangere Origin)	N.A

**CURRENT MARKET DYNAMICS:**

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

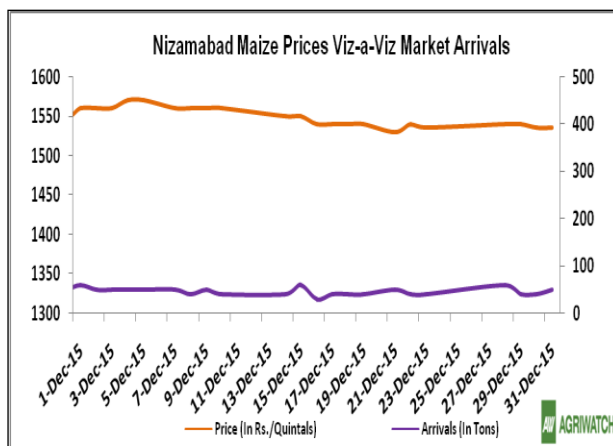
**BIHAR:**

- 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:

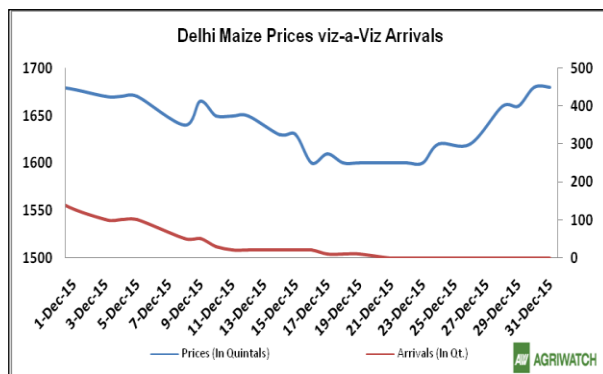
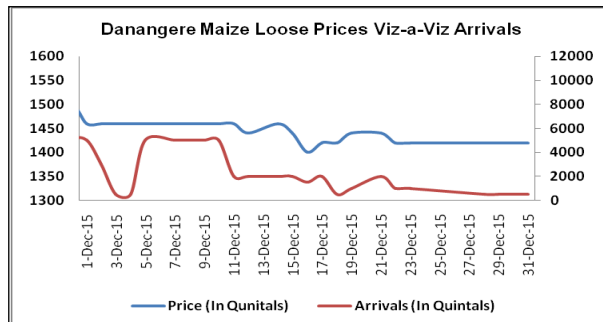
- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1470 per quintal, Rs. 1500 per quintal, Rs. 1450 per quintal, Rs. 1450 per quintal and Rs. 1500 per quintal respectively. Market is expected to trade steady to slightly weak in the near term.

### DELHI:

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

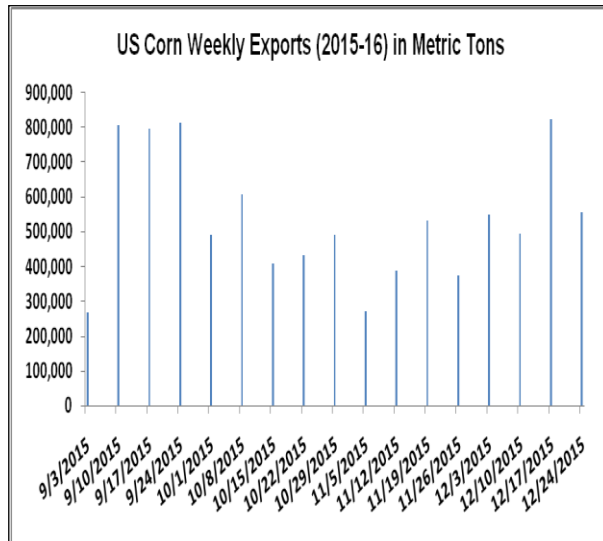
### DOMESTIC MAIZE OUTLOOK:

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 90,43,043 metric tons in the 2015-16 marketing year. At 5,56,412 MT (for the period 18<sup>th</sup> Dec-24<sup>th</sup> Dec, 2015) exports were down 32 percent from the previous week, but up 2 percent from the prior 4-week average. The primary destinations were Mexico (275,400 MT), Indonesia (70,300 MT), Peru (60,700 MT), Colombia (55,700 MT), Japan (49,600 MT), Costa Rica (19,200 MT), and Honduras (17,300 MT).
- South Korea's largest animal feed maker Nonghyup Feed Inc purchased around 195,000 MT of U.S. or South American corn for the arrival between May and July 2016. The first consignment of about 65,000 MT of corn was purchased at \$181.25 /MT on a cost-and-freight basis from Pan Ocean with an additional \$1 /MT surcharge for additional port unloading. The second consignment of around 65,000 MT of corn was purchased at \$181.37 /MT on a C&F basis from Glencore International AG with an additional \$1.5 /MT surcharge for additional port unloading. The last consignment of around 65,000 MT of corn was



purchased from Glencore International AG GLEN.UL at a basis price of \$82.25 /MT with an additional \$1.5 /MT surcharge for additional port unloading.

- The Korea Feed Association in Busan bought 50,000 MT of corn of South American origin from Pan Ocean at \$180.99 / MT c&f with a \$0.75 /MT surcharge for additional port unloading. It is likely to arrive at the ports of Ulsan and Busan by June 30, 2016.

### INTERNATIONAL MAIZE OUTLOOK:

Corn prices on CBOT fall by 2.56 USD/MT to 141.30 USD/MT for March contracts due to low export demand for U.S corn and is expected to trade down further on ample global supplies, low demand for U.S. corn and expectations for more favorable growing conditions in South America.

### FUTURES MARKET ANALYSIS: NCDEX MAIZE:



### (January Contract Weekly Chart)

- Candlestick depicts range bound movement in the market.
- RSI is moving down in neutral zone.
- Prices closed below 9 days EMAs.
- Strategy: Sell near 1500 for target 1476 and 1464 in the near term.

**Strategy: Sell**

**Maize NCDEX (January)**

#### Support & Resistance

S2	S1	PCP	R1	R2
1440	1460	1498	1518	1538

**DAVANGERE MARKET ANALYSIS: MAIZE**


In Davangere cash market, maize prices are likely to trade down at Rs. 1400 per quintal for the week.

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

Market	Grade	31-Dec-15	24-Dec-15	30-Nov-15	31-Dec-14	31-Dec-13
Gulabgagh	Bilty	1600	1610	1600	1340	1420
Delhi	Hybrid	1680	1620	1680	1380	1450
Davangere	Loose	1420	1420	1500	1100	1150
Shimoga	Bilty	1400	NA	1550	1050	1100
Ranebennur	Bilty	1430	NA	NA	1150	1170
Bagalkot	Hybrid/Local	1446	NA	1550	1162	1125
Gadag	Local	1411	NA	1489	1076	1095
Nizamabad	Bilty	1535	1535	1546	NA	1235
Khanna	Bilty	NA	NA	NA	1380	1480
Sangli	Bilty	1560	1520	1609	1300	1179
Ahmadabad	Feed	1630	1580	1630	1370	1240
	Starch	1625	1625	1650	1325	1290

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	12/30/2015	12/23/2015	Change
<b>Corn CBOT Prices</b>	<b>Mar-16</b>	141.30	143.86	<b>-2.56</b>
	<b>May-16</b>	143.76	146.32	<b>-2.56</b>
	<b>Jul-16</b>	146.22	148.68	<b>-2.46</b>
	<b>Sep-16</b>	147.90	150.45	<b>-2.55</b>
	<b>Dec-16</b>	150.85	153.5	<b>-2.65</b>

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