

## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Agriwatch expects total maize area in India for this Rabi season at 1317 Thousand Hectare. 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.

Considering the current weather conditions, Agriwatch expects maize production for this Rabi season at 4.64 MMT with the expected yield of 3597 kg/ hectare.

Around 5026 MT was exported mainly to Srilanka and Yemen followed by Malaysia during the period 28<sup>th</sup> December'15 to 3<sup>rd</sup> January'16, higher by 52% as compared to last week.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 30 per quintal to Rs. 1580 per quintal while starch feed makers quoted it down by Rs. 25 per quintal to Rs. 1600 per quintal as compared to last week.

### RECOMMENDATION:

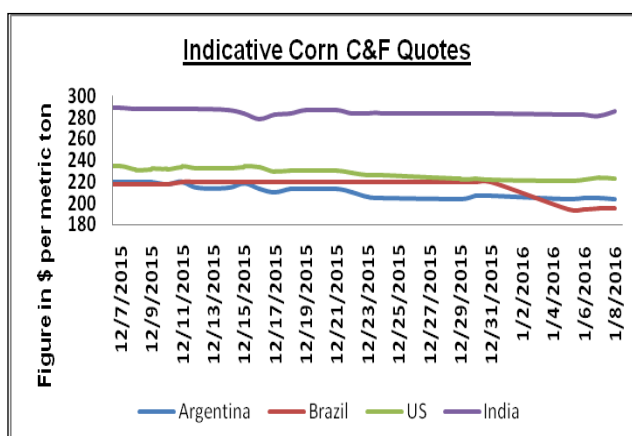
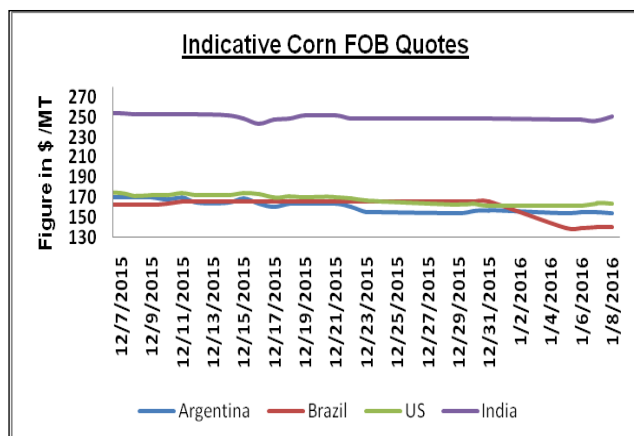
Weekly Call - : Market participants are advised to go short in Maize for February contract near 1500 levels for a target of 1482 and 1473 with a stop loss at 1510 on closing basis. In Davangere cash market, maize prices are likely to trade slightly firm in a range of Rs. 1440-1460 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 2.36 USD/MT to 138.94 USD/MT for March contracts due to low export demand for U.S corn.

At 3,57,820 MT (for the period 25<sup>th</sup> Dec- 31<sup>st</sup> Dec, 2015) exports were down 36 percent from the previous week and 39 percent from the prior 4-week average.

### EXPORT PARITY TREND:



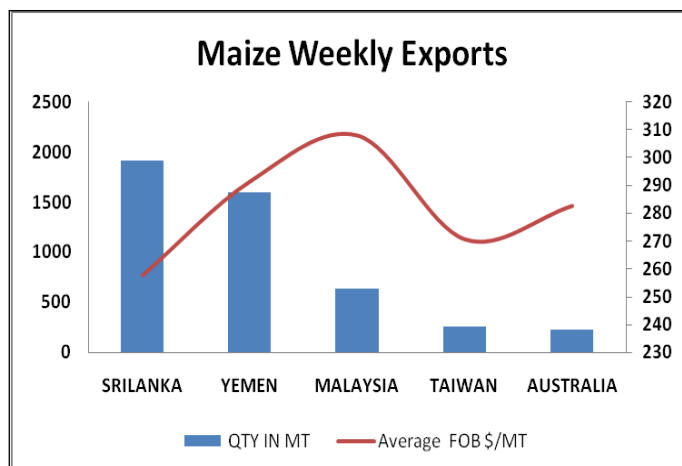
### Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.66)

As on 8.01.2016	Argentina	Brazil	US	India
FOB	153.54	140.52	163.4	250.47
Cost and Freight (C&F)	203.54	195.52	223.4	285.47

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 5026 MT was exported mainly to Srilanka and Yemen followed by Malaysia during the period 28<sup>th</sup> December'15 to 3<sup>rd</sup> January'16, higher by 52% 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:**

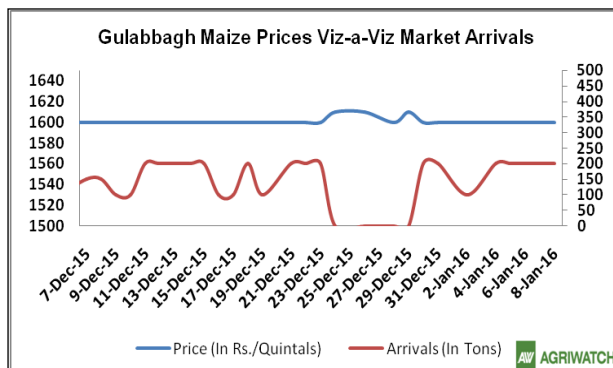
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	14700 (Davangere Origin)	N.A
<b>Namakkal</b>	15000 (Davangere Origin)	N.A
<b>Sangli</b>	14500 (Davangere Origin)	N.A
<b>Chennai</b>	15000 (Davangere Origin)	N.A
<b>Chitradurga</b>	14500 (Davangere Origin)	N.A

**CURRENT MARKET DYNAMICS:**

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

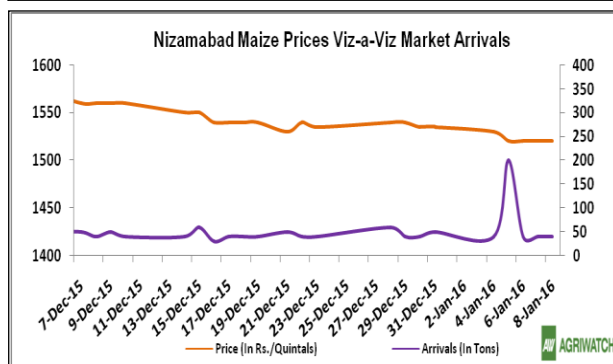
**BIHAR:**

- Maize is likely to trade slightly firm in near term. In Gulabghagh, stock of maize could be around 22000 MT.



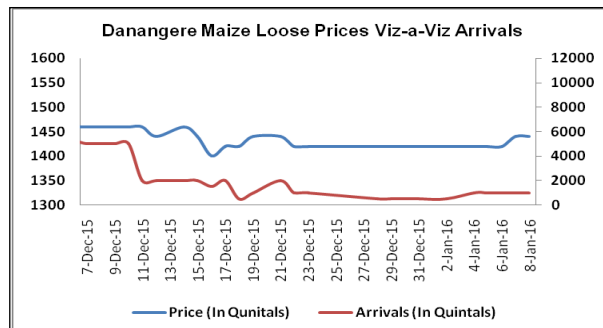
**ANDHRA PRADESH:**

- 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 slightly firm in the near term due to stockist demand.

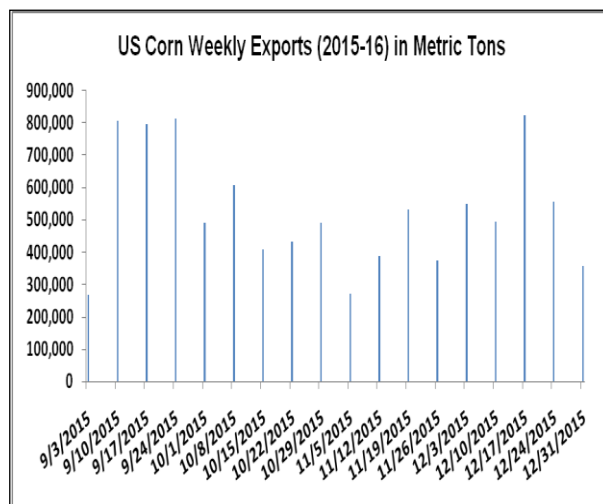


### DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade range bound till the supply through import comes in to the market.

### INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 94,00,863 metric tons in the 2015-16 marketing year. At 3,57,820 MT (for the period 25<sup>th</sup> Dec-31<sup>st</sup> Dec, 2015) exports were down 36 percent from the previous week and 39 percent from the prior 4-week average. The primary destinations were Mexico (117,400 MT), Colombia (94,200 MT), Peru (87,600 MT), Jamaica (25,300 MT), and Japan (21,600 MT).



### INTERNATIONAL MAIZE OUTLOOK:

Corn prices on CBOT fall by 2.36 USD/MT to 138.94 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 amid low demand for U.S. corn.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**



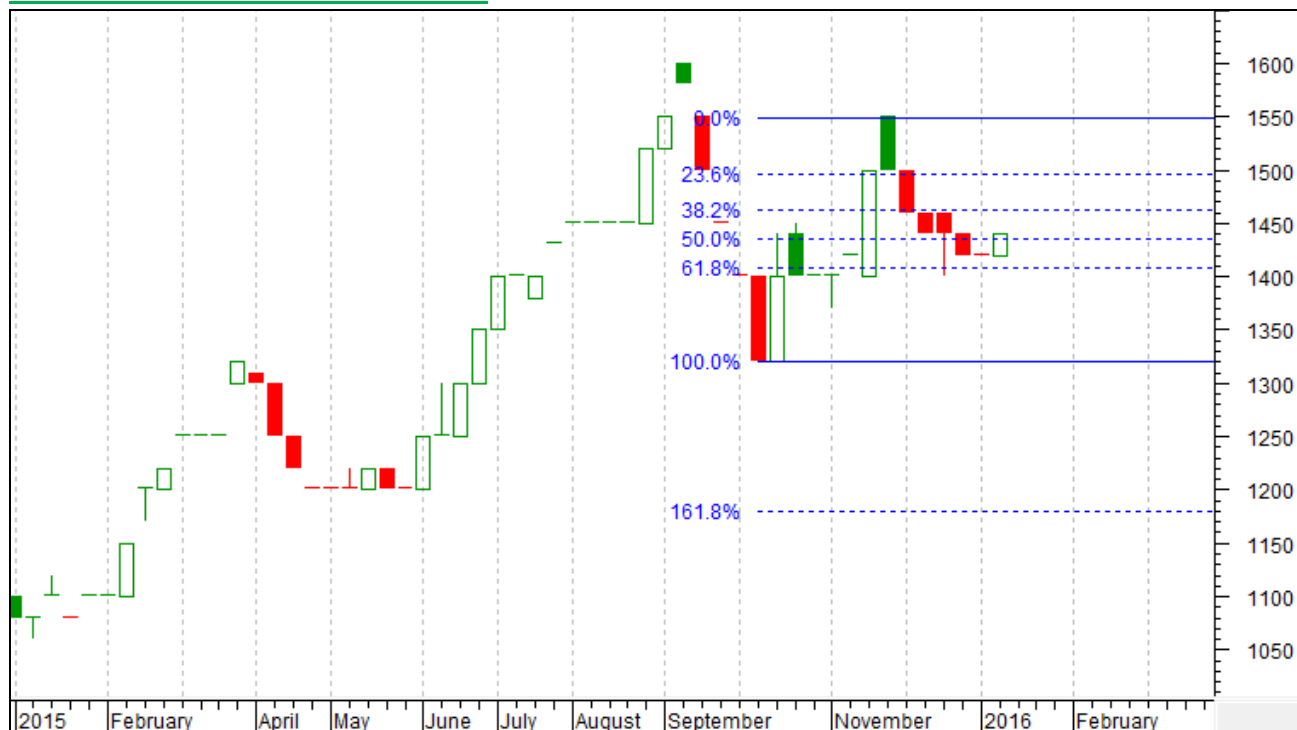
**(February Contract Weekly Chart)**

- Candlestick depicts down in the market.
- RSI is moving down in neutral zone.
- Prices closed below 9 days EMAs.
- Strategy: Sell near 1500 for target 1482 and 1473 in the near term.

**Strategy: Sell**

**Maize NCDEX (February)**

Support & Resistance				
S2	S1	PCP	R1	R2
1458	1472	1491	1516	1541

**DAVANGERE MARKET ANALYSIS: MAIZE**


In Davangere cash market, maize prices are likely to trade slightly firm in a range of Rs. 1440-1460 per quintal for the week.

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

Market	Grade	07-Jan-16	31-Dec-15	07-Dec-15	07-Jan-15	07-Jan-14
Gulabbagh	Bilty	1600	1600	1600	1350	1450
Delhi	Hybrid	NA	1680	1670	1450	1410
Davangere	Loose	1440	1420	1460	1080	1150
Shimoga	Bilty	1400	1400	1550	1060	1080
Ranebennur	Bilty	1475	1430	NA	1140	1240
Bagalkot	Hybrid/Local	1461	1446	NA	1155	1155
Gadag	Local	1382	1411	1467	1110	1115
Nizamabad	Bilty	1520	1535	1560	1224	1275
Khanna	Bilty	NA	NA	NA	1400	1480
Sangli	Bilty	1540	1560	1600	1260	1210
Ahmadabad	Feed	1580	1630	1625	1400	1260
	Starch	1600	1625	1625	1375	1270

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	01/7/2016	12/30/2015	Change
Corn CBOT Prices	Mar-16	138.94	141.30	-2.36
	May-16	141.11	143.76	-2.65
	Jul-16	143.47	146.22	-2.75
	Sep-16	145.73	147.90	-2.17
	Dec-16	149.08	150.85	-1.77

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