

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall steady to slightly weak sentiments prevailed in major cash markets of maize during the week under review and is expected to be steady to weak in the near term also.

With getting green signal from center to import 0.5MMT maize from global markets by the end of Jan-Mar quarter, PEC awarded an international tender to purchase 0.25MMT yellow non genetic maize to South Korean company Daewoo international. PEC has made a purchase of 2, 25,500 MT of yellow corn, said to be sourced from Ukraine. The purchase comprised of 80,500 MT bought at \$191.99 / MT c&f, of which 40,000 MT was for shipment between Jan. 27 to Feb. 17 and 40,500 MT on Feb. 8-27. A further 65,000 MT was purchased at \$193.49 /MT c&f for shipment between Jan. 27 and Feb. 17. The remaining 80,000 MT had been purchased at \$192.99 /MT c&f with 45,000 MT for shipment between Feb. 1-20 and 35,000 MT between Jan. 27 and Feb. 17.

As per Government data, maize has been sown in 14.64 lakh hectares as on 28th January, 2016, lower by 0.28 lakh hectares than the corresponding period of last year. Bihar has covered 4.38 lakh hectares; higher by 0.15 lakh hectares than the corresponding period of last year. Maharashtra, A.P, Karnataka and Gujarat have covered 2.12, 1.32, 1.02 and 0.90 lakh hectares respectively which are lower than corresponding period of last year. Besides, Tamil Nadu, Chhattisgarh and West Bengal have covered 2.02, 0.52 and 0.46 lakh hectares, higher than the corresponding period of last year.

Considering the current weather conditions, Agriwatch expects maize production of 5.38 MMT for this Rabi season with the expected yield of 3752 kg/ hectare.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 20 per quintal in a range of Rs. 1570-1600 per quintal. Starch feed makers also quoted it firm by Rs. 15 per quintal in range of Rs. 1570-1640 per quintal as compared to last week.

RECOMMENDATION:

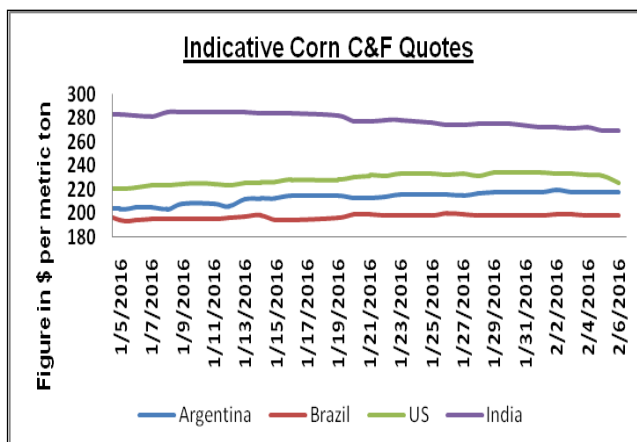
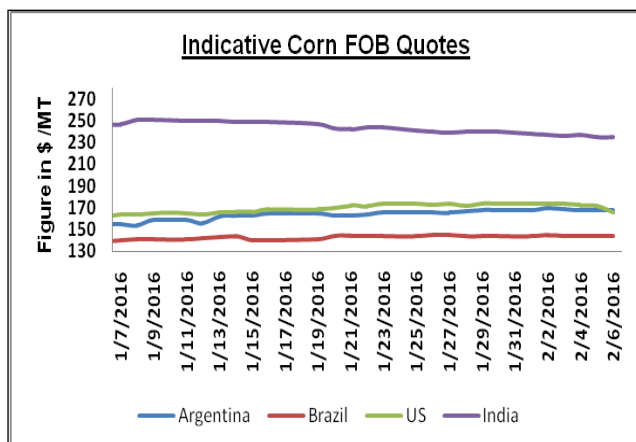
Weekly Call - : Market participants are advised to go short in Maize for February contract near 1382 levels for a target of 1366 and 1358 with a stop loss at 1391 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade slightly down in a range of Rs. 1340-1360 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 0.69 USD/MT to 146.03 USD/MT for March contracts during last week.

At 6,60,652 MT (for the period 22nd Jan- 28th Jan, 2016) exports were up 2 percent from the previous week and 19 percent from the prior 4-week average.

EXPORT PARITY TREND:



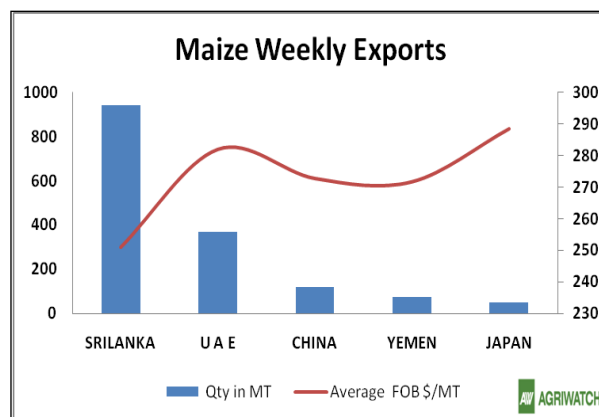
Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.87)

As on 6.02.2016	Argentina	Brazil	US	India
FOB	167.72	143.81	165.69	234.87
Cost and Freight (C&F)	217.72	198.81	225.69	269.87

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. If prices get firmer more import is possible in new MY.

EXPORT BREAK UP BY MAJOR COUNTRIES

- As per IBIS data, around 1557 MT was exported mainly to Srilanka followed by UAE; mainly through JNPT Sea during the period 18th January'16 to 24th January'16, lower by 64% 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:

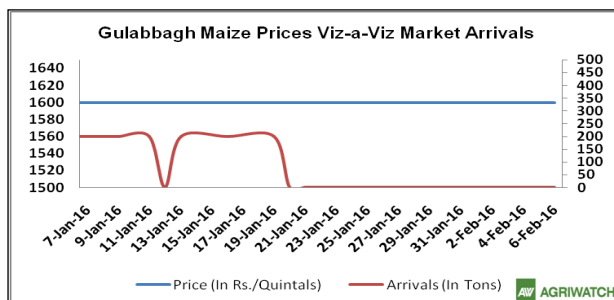
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	14800 (Davangere Origin)	N.A
Namakkal	14800 (Davangere Origin)	N.A
Sangli	14900 (Davangere Origin)	N.A
Chennai	14800 (Davangere Origin)	N.A
Chitradurga	14600 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

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

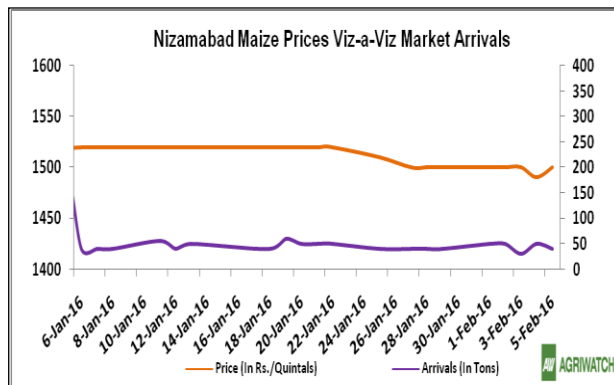
BIHAR:

- Maize is likely to trade steady with weak bias in near term. In Bihar, stock of maize could be around 21000 MT.



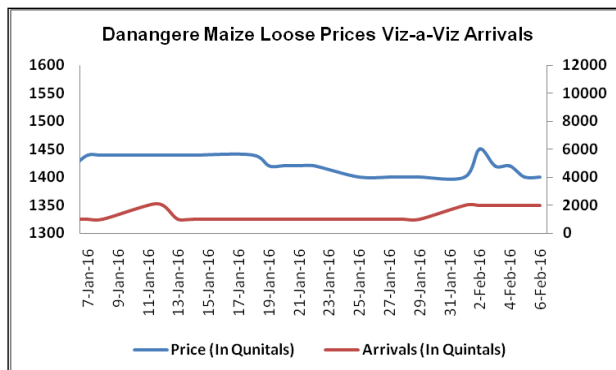
ANDHRA PRADESH:

- In A.P, maize stock position could be around 47,000 MT (25000- Private+ 22000- Government) which was around 40,000 MT (5000-Pvt+35000-Government) during the corresponding period of last year. Maize is likely to trade steady to slightly weak in the near term.



KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1480 per quintal, Rs. 1480 per quintal, Rs. 1460 per quintal, Rs. 1490 per quintal and Rs. 1480 per quintal respectively. Maize was quoted down as new crop arrivals from Tamil Nadu has started. Market is expected to trade slightly weak in the near term also.

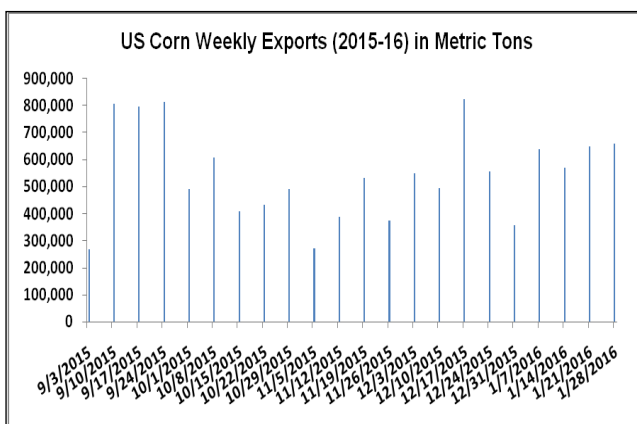


DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade slightly weak on the expectation of further imports amid expectation of higher production in Bihar.

INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 11,920,079 metric tons in the 2015-16 marketing year. At 6,60,652 MT (for the period 22nd Jan- 28th Jan, 2016) exports were up 2 percent from the previous week and 19 percent from the prior 4-week average. The primary destinations were Mexico (195,600 MT), Colombia (155,700 MT), South Korea (67,300 MT), Japan (64,700 MT), Egypt (64,700 MT), Peru (38,500 MT), and Guatemala (26,700 MT).
- A group of Israeli private buyers bought about 80,000 MT of corn likely to be sourced from the Black Sea region. Some 35,000 MT of corn was purchased at \$172.50 /MT c&f for the shipment between April 20 and May 10 while 45,000 MT was purchased at \$173.60 /MT c&f for the shipment between May 20 and June 10.
- Informa Economics raised its corn production projection of Argentina for 2015/16 by 4 million tons to 26 million tons as compared to last month. It also projected corn production for 2016/17 at 30 million tons on the expectation of increase in corn area.
- Informa Economics raised its all-corn production projection of Brazil for 2015/16 by 0.3 million tons to 81.6 million tons as compared to last month.



INTERNATIONAL MAIZE OUTLOOK:

Corn prices on CBOT rose by 0.69 USD/MT to 146.03 USD/MT for March contracts during last week. However, it is expected to trade down 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.
- Decrease in prices with lower OI indicates long liquidation.
- Strategy: Sell near 1382 for target 1366 and 1358 in the near term.

Strategy: Sell

Maize NCDEX (February)

Support & Resistance

S2	S1	PCP	R1	R2
1344	1360	1379	1405	1432

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade slightly down in a range of Rs. 1340-1360 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	04-Feb-16	28-Jan-16	04-Jan-16	04-Feb-15	04-Feb-14
Gulabbagh	Bilty	1600	1600	1600	NA	1380
Delhi	Hybrid	1625	1630	NA	1425	1420
Davangere	Loose	1380	1400	1420	1100	1180
Shimoga	Bilty	NA	1490	1400	1080	1110
Ranebennur	Bilty	1450	1530	1430	1210	1150
Bagalkot	Hybrid/Local	1400	1420	1421	1132	1150
Gadag	Local	1405	1386	1576	1061	1127
Nizamabad	Bilty	1490	1500	1530	1270	1260
Khanna	Bilty	NA	NA	NA	1450	1480
Sangli	Bilty	1500	1530	1565	1250	1250
Ahmadabad	Feed	1580	1580	1590	1320	1330
	Starch	1600	1600	1600	1350	1370

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	02/03/2016	01/27/2016	Change
Corn CBOT Prices	Mar-16	146.03	145.34	0.69
	May-16	147.99	147.40	0.59
	Jul-16	150.06	149.17	0.89
	Sep-16	151.73	150.85	0.88
	Dec-16	154.68	153.70	0.98

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