

## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

More or less maize cash markets traded steady during the week under review. However, it seems slightly down ahead, on expectation of further imports and higher production in Bihar. 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 down by Rs 10 per quintal to Rs. 1550 per quintal. However, starch feed makers quoted it steady at Rs. 1560 per quintal as compared to last week.

### RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for March contract near 1422 levels for a target of 1400 and 1389 with a stop loss at 1435 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade steady at Rs. 1360 per quintal for the week.

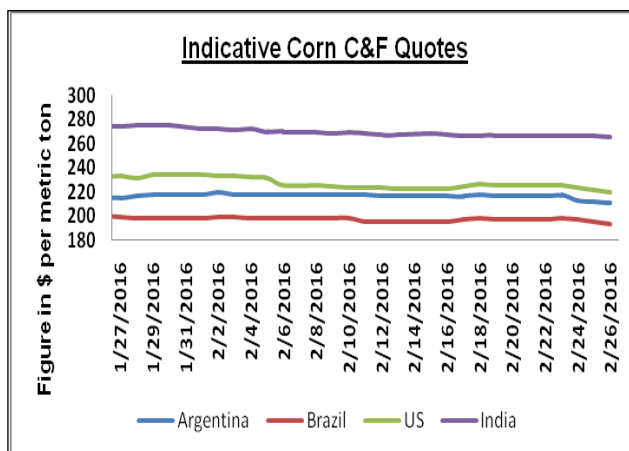
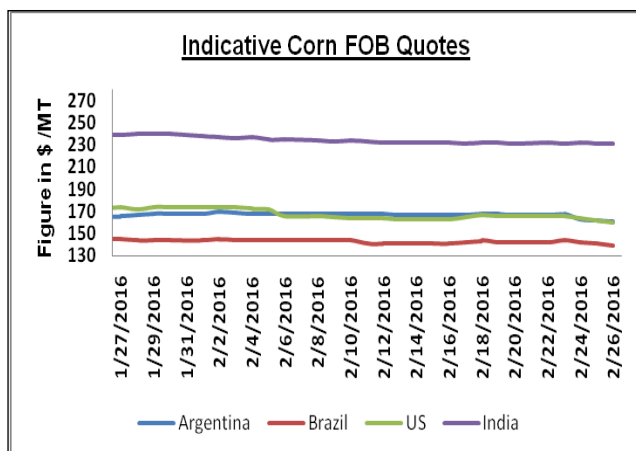
### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall 4.63 USD/MT to 139.92 USD/MT for March contracts due to ample global grain supplies amid the U.S. Department of Agriculture's forecast for increased U.S. spring plantings.

At 8,70,660 MT (for the period 12<sup>th</sup> Feb- 18<sup>th</sup> Feb, 2016) exports were up 19 percent from the previous week and 36 percent from the prior 4-week average.

The IGC raised its forecast for the 2015/16 global corn crop by 10 MMT to 969 MMT from the last month.

### EXPORT PARITY TREND:

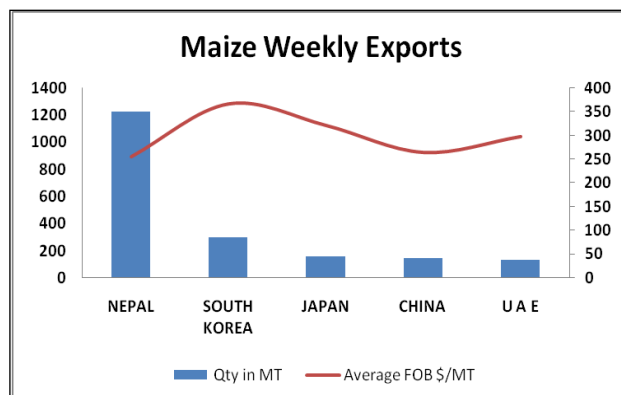


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 68.77)				
As on 26.02.2016	Argentina	Brazil	US	India
FOB	160.83	138.97	160.09	230.97
Cost and Freight (C&F)	210.83	193.97	220.09	265.97

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. More import is possible in new M.Y if prices get firmer.

### EXPORT BREAK UP BY MAJOR COUNTRIES

- As per IBIS data, around 2120 MT was exported mainly to Nepal followed by South Korea; mainly through Raxaul LCS during the period 15th February'16 to 21st February'16, lower compared to last week.



**BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:**

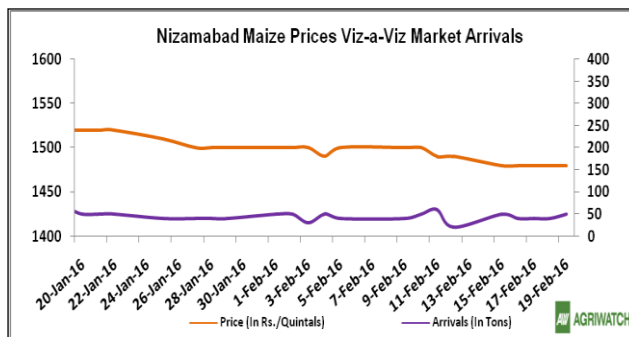
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	14600 (Davangere Origin)	N.A
<b>Namakkal</b>	14700 (Davangere Origin)	N.A
<b>Sangli</b>	14600 (Davangere Origin)	N.A
<b>Chennai</b>	14800 (Davangere Origin)	N.A
<b>Chitradurga</b>	14250 (Davangere Origin)	N.A

**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:

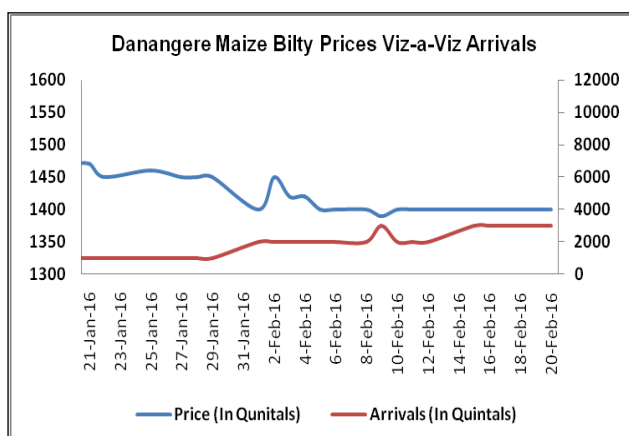
**ANDHRA PRADESH:**

- In Nizamabad, maize is likely to trade down in the near term due to sluggish demand. 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.



**KARNATAKA:**

- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1460 per quintal, Rs. 1470 per quintal, Rs. 1425 per quintal, Rs. 1460 per quintal and Rs. 1480 per quintal respectively. Market is expected to trade steady in the near term. As per trade sources, stock of maize could be around 25,000 MT in the hands of Private traders, almost same during the corresponding period of last year.

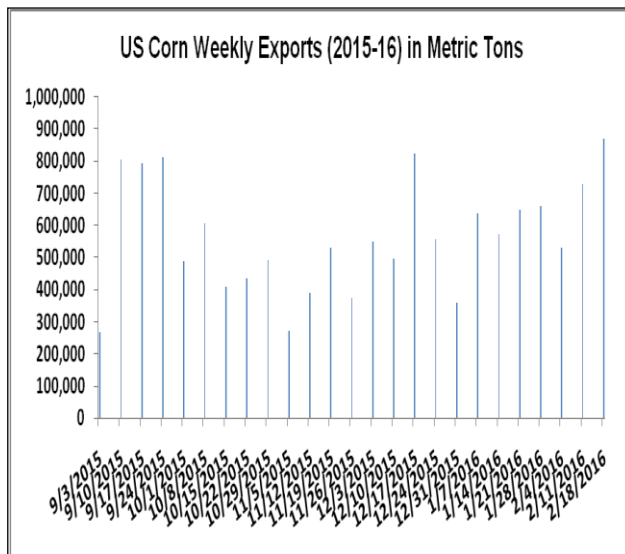


**DOMESTIC MAIZE OUTLOOK:**

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 14,048,329 metric tons in the 2015-16 marketing year. At 8,70,660 MT (for the period 12<sup>th</sup> Feb- 18<sup>th</sup> Feb, 2016) exports were up 19 percent from the previous week and 36 percent from the previous 4-week average. The primary destinations were Mexico (353,200 MT), Japan (248,600 MT), Colombia (182,300 MT), South Korea (58,100 MT), and Taiwan (11,700 MT).
- The IGC raised its forecast for the 2015/16 global corn crop by 10 MMT to 969 MMT from the last month, but below the previous season's 1016 MMT crop. Forecast for global corn ending stock is raised by 10 MMT to 206 MMT as compared to last month. The IGC also forecast 1% expansion for global corn area for the 2016/17 crop.
- Brazil's corn exports are likely to fall by 2.75 MMT to 28 MMT in 2016 as compared to last year. The decrease in exports is mainly due to competition from Argentina. Besides, recently approved taxes over exports of grains in two Brazilian States, Goias and Mato Grosso do Sul, also contribute to a smaller volume of corn exports this year.



### INTERNATIONAL MAIZE OUTLOOK:

Corn prices on CBOT fall 4.63 USD/MT to 139.92 USD/MT for March contracts due to ample global grain supplies amid the U.S. Department of Agriculture's forecast for increased U.S. spring plantings.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(March Contract Weekly Chart)**

- Candlestick depicts gain in the market.
- RSI is moving in oversold zone.
- Prices closed below 9 days EMAs.
- Increase in prices with lower OI indicates short covering.
- Strategy: Sell near 1422 for target 1400 and 1389 in the near term.

**Strategy: Sell**
**Maize NCDEX (March)**
**Support & Resistance**

S2	S1	PCP	R1	R2
1338	1360	1411	1439	1467

**DAVANGERE MARKET ANALYSIS: MAIZE**


In Davangere cash market, maize (loose) prices are likely to trade steady at Rs.1360 per quintal for the week.

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

Market	Grade	25-Feb-16	18-Feb-16	25-Jan-16	25-Feb-15	25-Feb-14
Gulabbagh	Bilty	NA	NA	1600	NA	1320
Delhi	Hybrid	1675	1650	1650	1470	1400
Davangere	Loose	1360	1360	1400	1220	1180
Shimoga	Bilty	1470	1470	1490	1130	1140
Ranebennur	Bilty	1500	NA	1430	1335	1200
Bagalkot	Hybrid/Local	1365	1361	1425	1223	1160
Gadag	Local	1355	1351	1401	1151	1135
Nizamabad	Bilty	1450	1480	1510	1280	1260
Khanna	Bilty	NA	NA	NA	1430	1450
Sangli	Bilty	1468	1480	1535	1325	1239
Ahmadabad	Feed	1550	1550	1580	1400	1325
	Starch	1560	1530	1600	1450	1360

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	2/25/2016	2/17/2016	Change
Corn CBOT Prices	Mar-16	139.92	144.55	-4.63
	May-16	141.89	146.22	-4.33
	Jul-16	143.96	147.99	-4.03
	Sep-16	146.22	150.06	-3.84
	Dec-16	149.47	153.11	-3.64

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