

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Maize cash markets are likely to trade steady with range bound movement despite new crop arrival pressure as stockists are keen to buy at lower level.

In Bihar, new crop contains 14-15% moisture and around 40% maize crop harvesting has been completed. Crop is in good condition while in A.P, new crop contains 14% moisture and harvesting is almost over.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 70 per quintal to Rs. 1520 per quintal. Starch feed makers quoted it firm by Rs. 90 per quintal at Rs.1540 per quintal compared to last week.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for May contract near 1235 levels for a target of 1265 and 1280 with a stop loss at 1217 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1400-1420 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

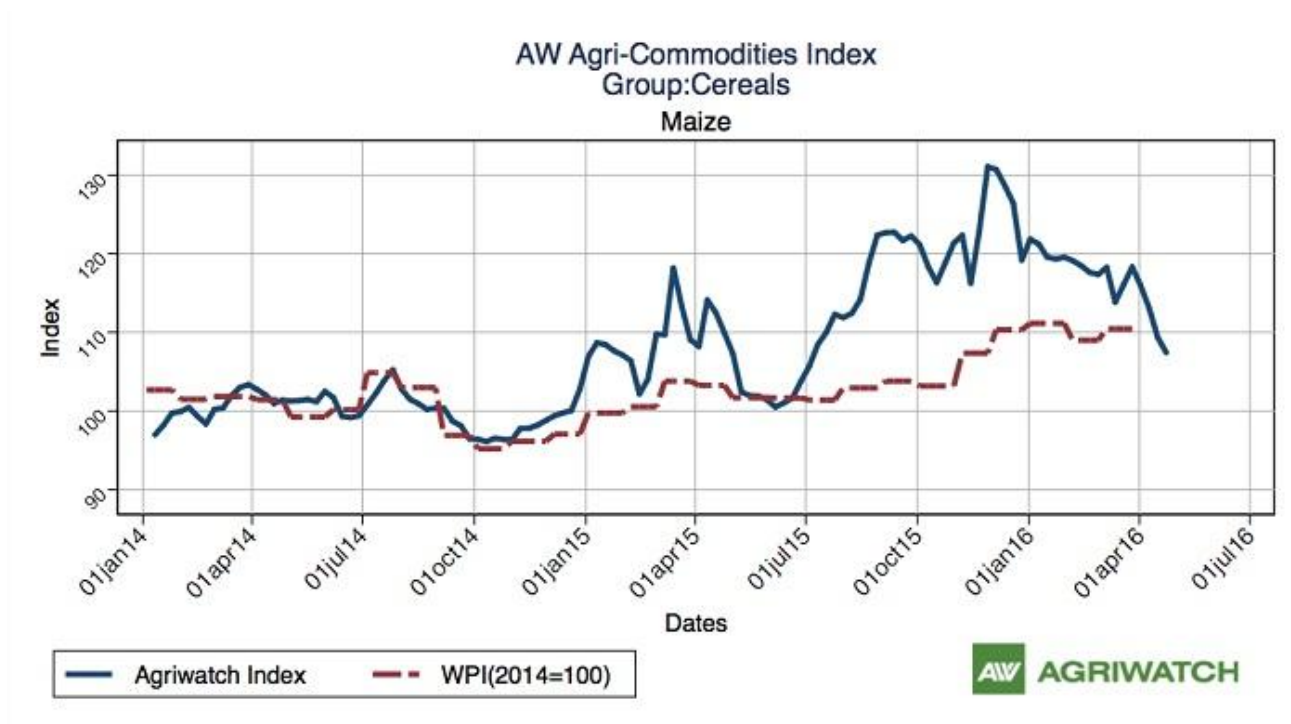
Corn prices on CBOT rose by 4.33 USD/MT to 151.34 USD/MT for May contracts due to dry growing conditions and tight domestic supplies in Brazil.

At 1.28 MMT (for the period 8th April- 14th April, 2016) exports were up 27 percent from the previous week and 20 percent from the prior 4-week average.

Government of Brazil has decided to remove import tax on corn shipments.

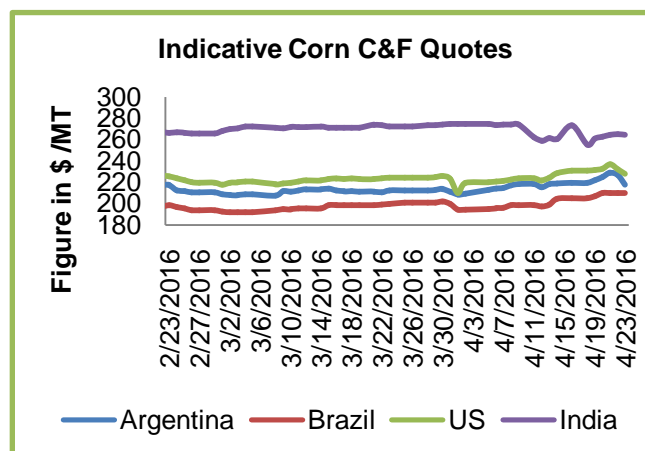
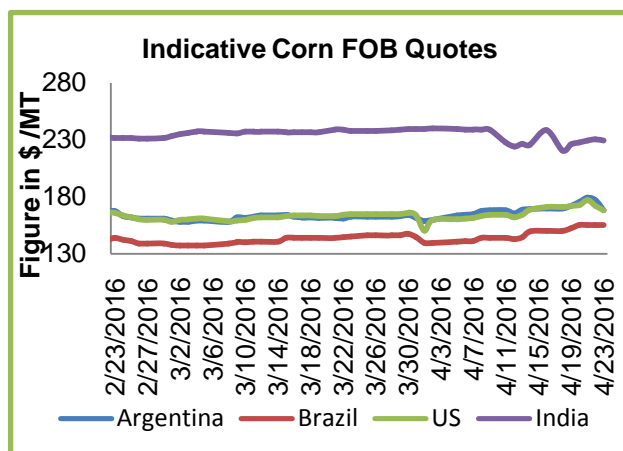
U.S corn has been planted 13% as of 17th April, 2016, higher by 6% from the last year and 5% from the last 5 year average period.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index up 0.75% during the week ended Apr 23, 2016 compared to previous week. All nine Commodity Group Indices and 25 of the 29 Individual Commodity Indices that comprise the headline Index gained during the week barring Maize, Onion, Sunflower Oil and Red Chilli. The base for the Index is 2014 (= 100).

EXPORT PARITY TREND:



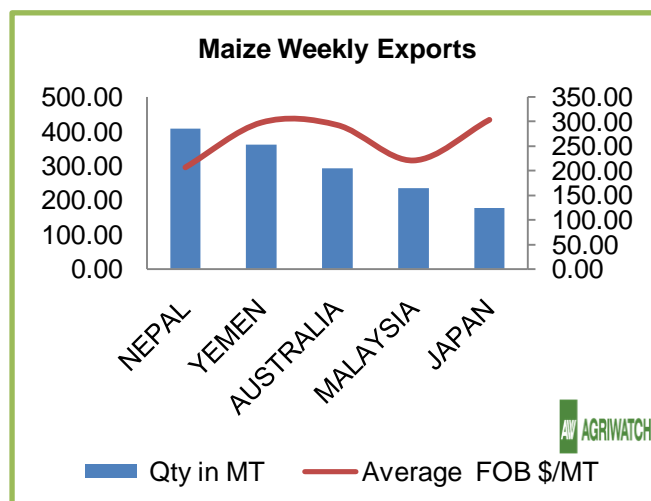
Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.66)

As on 14.04.2016	Argentina	Brazil	US	India
FOB	168.01	155.09	167.76	229.46
Cost and Freight (C&F)	218.01	210.09	227.76	264.46

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 1663 MT was exported mainly to Nepal followed by Yemen, Australia and Malaysia for the period of 11 Apr'16 -17 Apr'16, mainly through JNPT Sea followed by Raxul LCS.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

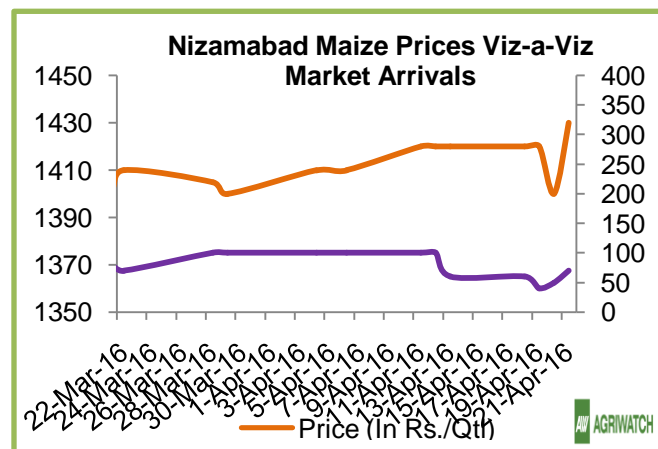
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	15700 (Davangere Origin)	N.A
Namakkal	16000 (Davangere Origin)	N.A
Chennai	16000 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

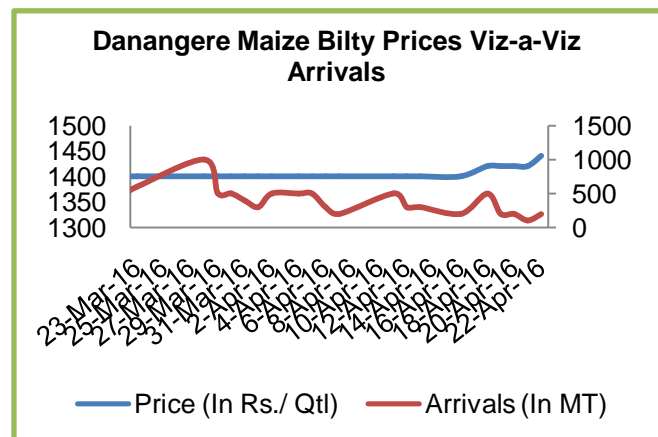
During the week under review, overall firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In A.P, maize is likely to trade steady despite sluggish demand as traders are not interested to sell at the lower rate. New crop contains 14% moisture and almost harvesting has been over. In Nizamabad, stock of maize could be around 15000 MT which is same compared to last year.

KARNATAKA:

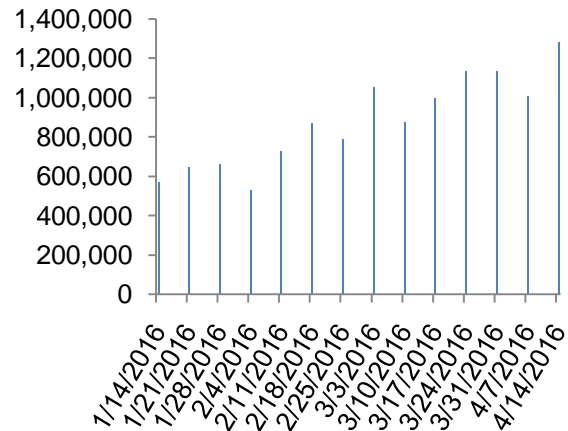
- Maize sourced from Davangere moved towards Bangalore, Nammakal and Chennai at Rs. 1570 per quintal, Rs. 1600 per quintal, and Rs. 1600 per quintal respectively. Market is expected to trade steady to slightly firm in the near term due to high demand. As per trade sources, in Davangere, stock of maize could be around 100,000 MT in the hands of Private traders, which was 150,000 MT during the corresponding period of last year.

DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade steady with range bound in the near term.

INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 22.26 MMT in the 2015-16 marketing year. At 1.28 MMT (for the period 8th April- 14th April, 2016) exports were up 27 percent from the previous week and 20 percent from the prior 4-week average. The primary destinations were Japan (398,200 MT), Colombia (313,900 MT), Mexico (279,900 MT), Peru (60,700 MT), Guatemala (47,500 MT), and Saudi Arabia (45,600 MT).
- Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 46.2% in the February'16 from 44.4% during the same month last year as users' reliance on sorghum, decreased.
- Government of Brazil has decided to remove import tax on corn shipments that varies from 8-10%, for a period of six months, from countries outside the Mercosur trade bloc. This tax exemption limit will apply to maximum of 1 million tons corn.
- As per the latest crop progress report released by USDA, corn has been planted 13% as of 17th April, 2016, higher by 6% from the last year and 5% from the last 5 year average period.

US Corn Weekly Exports (2015-16) in Metric Tons**INTERNATIONAL CORN OUTLOOK:**

Corn prices on CBOT rose by 4.33 USD/MT to 151.34 USD/MT for May contracts due to dry growing conditions and tight domestic supplies in Brazil.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(May Contract Weekly Chart)

- Candlestick depicts gain in the market.
- RSI is moving up in neutral zone.
- Prices closed above 9 and 18 days EMAs.
- Strategy: Buy above 1235 for target 1265 and 1280 in the near term.

Strategy: Buy

Maize NCDEX (May)

Support & Resistance				
S2	S1	PCP	R1	R2
1193	1215	1246	1280	1305

DAVANGERE MARKET ANALYSIS: MAIZE



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

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	21-Apr-16	14-Apr-16	21-Mar-16	21-Apr-15	21-Apr-14
Gulabghagh	Bilty	1170	1150	NA	1275	1380
Delhi	Hybrid	1400	1350	1700	1450	1475
Davangere	Bilty	1440	1400	1400	1250	1300
Shimoga	Bilty	1400	NA	1440	1250	1270
Ranebennur	Bilty	1420	1450	1375	1295	1340
Bagalkot	Hybrid/Local	1422	1412	1390	1261	1241
Gadag	Local	NA	1336	1380	1267	1246
Nizamabad	Bilty	1430	1420	1400	1280	1260
Khanna	Bilty	1550	1575	1725	1590	1450
Sangli	Bilty	1535	1525	1485	1370	1287
Ahmadabad	Feed	1500	1460	1550	1400	1280
	Starch	1510	1465	1580	1415	1300



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	4/21/2016	4/13/2016	Change
Corn CBOT Prices	May-16	151.34	147.01	4.33
	Jul-16	153.41	148.39	5.02
	Sep-16	153.21	149.17	4.04
	Dec-16	154.88	151.14	3.74
	Mar-17	157.54	154.78	2.76

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