



# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Maize cash markets are likely to trade range bound to slightly firm in the first half of May due to stockiest buying interest at current level.

In Bihar, new crop contains 14-15% moisture and around 60% maize crop harvesting has been completed. Crop is in good condition while in A.P, new crop contains 14% moisture and harvesting is over.

India exported 2097 MT maize during the week ended 1<sup>st</sup> May'16 against 1159 MT previous week ending 24<sup>th</sup> April'16.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 10 per quintal to Rs. 1500 per quintal. Starch feed makers quoted it firm by Rs. 50 per quintal at Rs.1550 per quintal compared to last week.

### RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for Jun contract near 1279 levels for a target of 1295 and 1303 with a stop loss at 1271 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1400 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

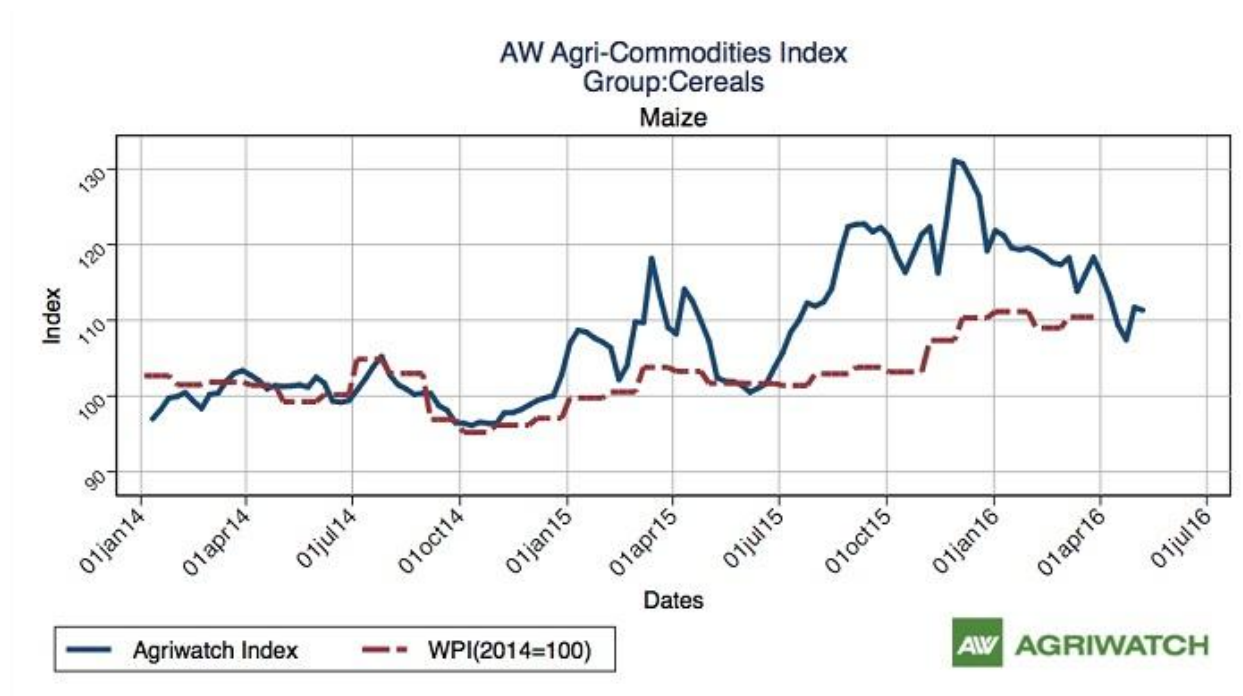
Corn prices on CBOT fall by 2.95 USD/MT to 146.91 USD/MT for May contracts due to speedy pace of planting in the U.S. Midwest.

At 1.22 MMT (for the period 22<sup>nd</sup> April- 28<sup>th</sup> April, 2016) exports were up 13 percent from the previous week and 9 percent from the prior 4-week average.

In U.S 45% corn planting has been completed as of 1st May, 2016, same as last year but higher by 15% from last 5 year average period.

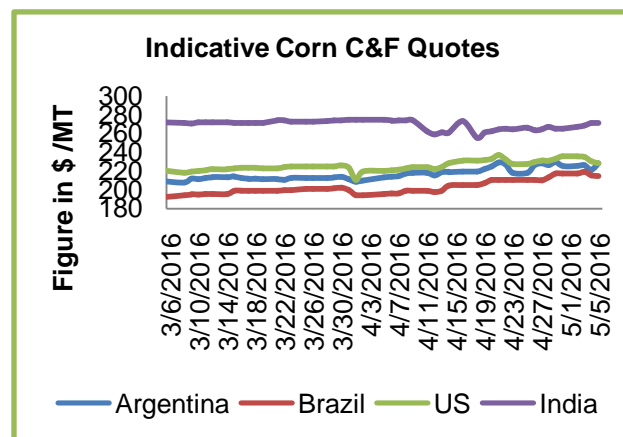
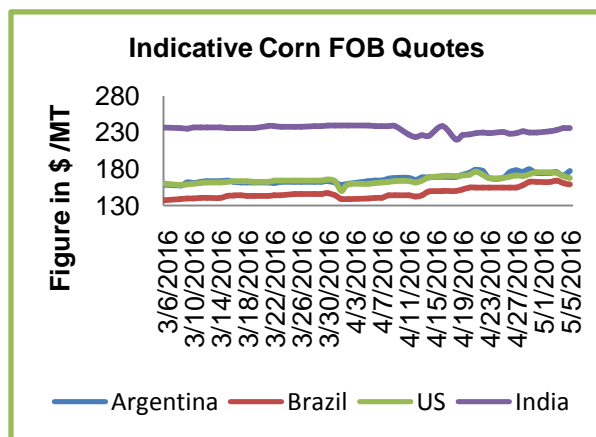
Brazil's winter corn crop is forecasted lower by 4% at 52.5 MMT from the previous estimate due to continued dry weather over the center-west growing areas.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index fall 1.03% during the week ended May 07, 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:

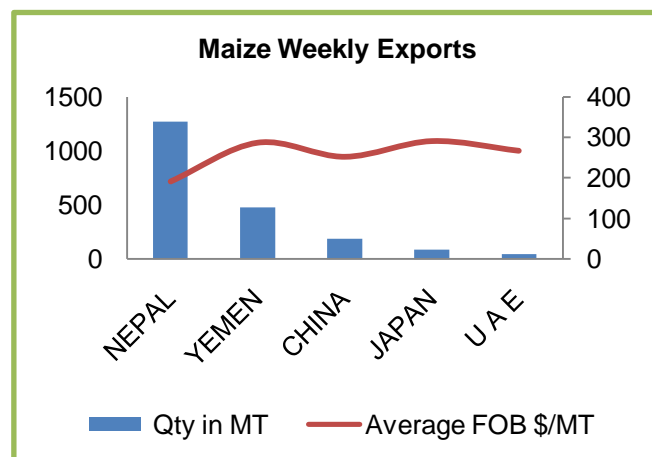


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.58)				
As on 6.05.2016	Argentina	Brazil	US	India
FOB	176.67	158.35	167.2	237.32
Cost and Freight (C&F)	226.67	213.35	227.2	272.32

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.

## EXPORT BREAK UP BY MAJOR COUNTRIES

- As per IBIS data, India exported 2097 MT maize during the week ended 1<sup>st</sup> May'16 against 1159 MT previous week ending 24<sup>th</sup> April'16. Maize has been exported at an average FoB of \$207.6/ MT. Indian maize is exported mainly to Nepal followed by Yemen and China mainly through Raxul LCS followed by JNPT Sea.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

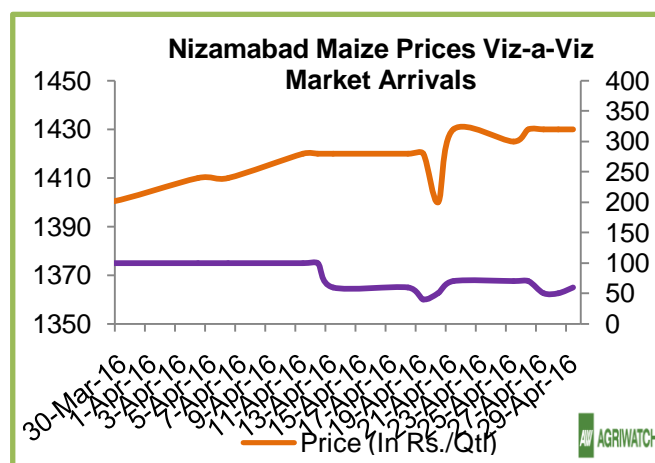
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	15700 (Davangere Origin)	N.A
<b>Namakkal</b>	16000 (Davangere Origin)	N.A
<b>Chennai</b>	16000 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

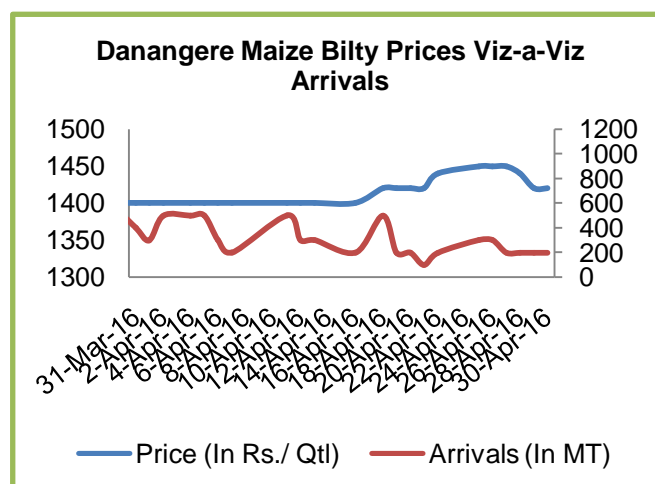
During the week under review, overall steady to firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

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 harvesting is almost over. In Nizamabad, stock of maize could be around 15000 MT which is same compared to last year.


KARNATAKA:

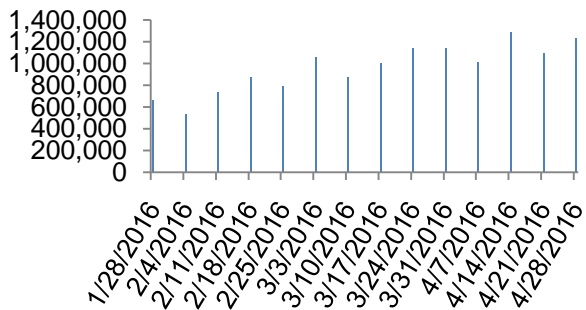
- Maize sourced from Davangere moved towards Bangalore, Nammakal and Chennai at Rs. 1570 per quintal, Rs. 1600 per quintal, and Rs. 1600 per quintal respectively. Market is expected to trade steady to slightly firm in the near term due to high demand. As per trade sources, in Davangere, stock of maize 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 range bound with slightly firm in the near term.

**INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS**

- As per USDA, U.S corn exports reached 24.58 MMT in the 2015-16 marketing year. At 1.22 MMT (for the period 22<sup>nd</sup> April- 28<sup>th</sup> April, 2016) exports were up 13 percent from the previous week and 9 percent from the prior 4-week average. The primary destinations were Mexico (373,700 MT), Colombia (257,500 MT), Peru (140,900 MT), Japan (111,900 MT), Taiwan (101,000 MT), China (65,100 MT), and Venezuela (60,000 MT).

**US Corn Weekly Exports (2015-16) in Metric Tons**

- In U.S 45% corn planting has been completed as of 1st May, 2016, same compared to last year but higher by 15% from last 5 year average period. 13% crop of corn has emerged, higher by 6% from last year and 5% from last 5 year average period. Speedy pace of planting in the U.S. Midwest is likely to put pressure on corn prices.
- Brazil's winter corn crop is forecasted lower by 4% to 52.5 MMT from the previous estimate due to continued dry weather over the center-west growing areas. Corn prices are likely to increase in that local region as pork and poultry industry could import 500,000 MT of corn from the region in the first half of 2016.
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**INTERNATIONAL CORN OUTLOOK:**

Corn prices on CBOT fall by 2.95 USD/MT to 146.91 USD/MT for May contracts due to speedy pace of planting in the U.S. Midwest.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(Jun Contract Weekly Chart)**

- Candlestick depicts firmness in the market.
- RSI is moving in neutral zone.
- Prices closed above 9 and 18 days EMAs.
- Increase in prices with higher volume and OI indicates long build up.
- Strategy: Buy above 1279 for target 1295 and 1303 in the near term.

**Strategy: Buy**
**Maize NCDEX (Jun)**

Support & Resistance				
S2	S1	PCP	R1	R2
1240	1264	1288	1305	1318

### DAVANGERE MARKET ANALYSIS: MAIZE



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

### ANNEXURE

#### MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	5-May-16	28-Apr-16	5-Apr-16	5-May-15	5-May-14
Gulabghagh	Bilty	1200	1170	1250	NA	1100
Delhi	Hybrid	1425	1400	1475	1675	1300
Davangere	Bilty	1450	1440	1400	1410	1250
Shimoga	Bilty	1600	1400	1490	1470	1280
Ranebennur	Bilty	1420	1460	1450	1400	1301
Bagalkot	Hybrid/Local	1482	1446	1418	1365	1291
Gadag	Local	1328	1351	1410	1351	1215
Nizamabad	Bilty	1450	1430	1410	1405	1280
Khanna	Bilty	1465	1460	1650	1750	1475
Sangli	Bilty	1570	1560	1495	1475	1380
Ahmadabad	Feed	1490	1500	1510	1560	1350
	Starch	1510	1510	1530	1585	1380





Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	5/4/2016	4/27/2016	Change
Corn CBOT Prices	May-16	146.91	149.86	-2.95
	Jul-16	148.29	151.44	-3.15
	Sep-16	149.17	151.73	-2.56
	Dec-16	151.54	153.7	-2.16
	Mar-17	154.98	157.24	-2.26

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