

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 second 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 3584 MT maize during the week ended 08th May'16 against 2097 MT previous week ending 01st April'16.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 35 per quintal to Rs. 1525 per quintal. Starch feed makers quoted it firm by Rs. 20 per quintal at Rs.1530 per quintal compared to last week.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for Jun contract near 1335 levels for a target of 1350 and 1365 with a stop loss at 1329 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1430 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

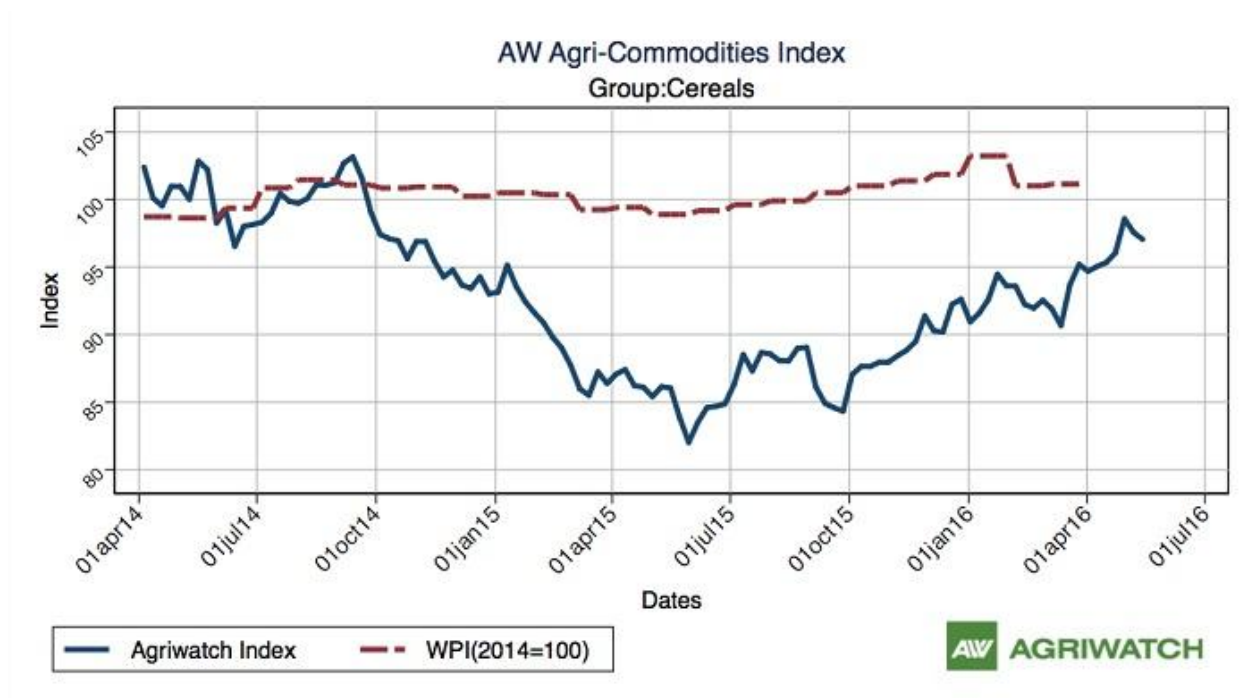
Corn prices on CBOT too up by 0.3 USD/MT to 147.21 USD/MT for May contracts due to speedy pace of planting in the U.S. Midwest.

At 1.22 MMT (for the period 22nd April- 28th 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 compared to last year but higher by 15% from last 5 year average period.

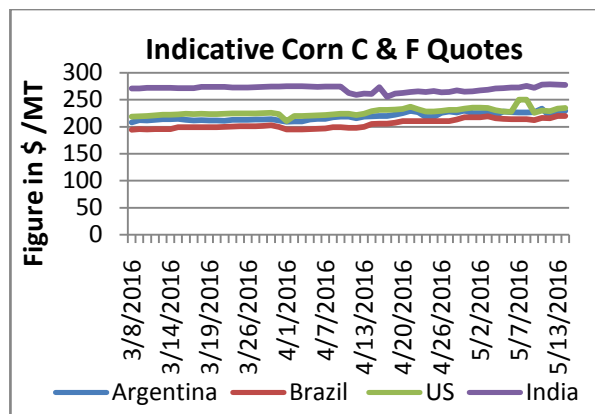
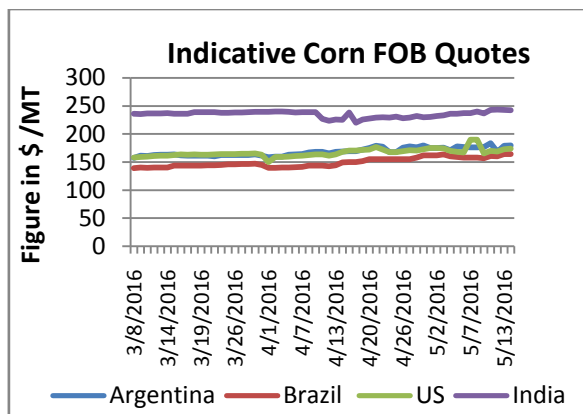
Brazil's winter corn crop is forecasted lower by 4% to 52.5 MMT from the previous estimate due to continued dry weather over the center-west growing areas.

AW MAIZE INDEX:



The Agriwatch Agri Commodities Index edged up 0.33% to 110.46 during the week ended May 14, 2016 from 110.10 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100). The declining Indices were the Cereals Index: 97.06 (-0.52%), Spices Index: 121.79 (-7.36%) and Other Non-food Articles Index: 88.11 (-2.48%).

EXPORT PARITY TREND

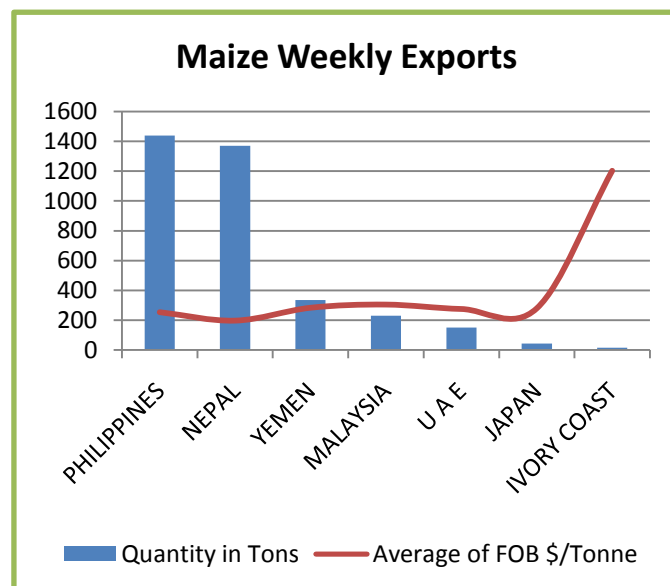


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.69)				
As on 6.05.2016	Argentina	Brazil	US	India
FOB	179.43	NA	174.33	242.05
Cost and Freight (C&F)	229.43	213.35	234.33	277.05

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, India exported 3584 MT maize during the week ended 08th May'16 against 2097 MT previous week ending 01st May'16. Maize has been exported at an average FoB of \$2366/ 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:

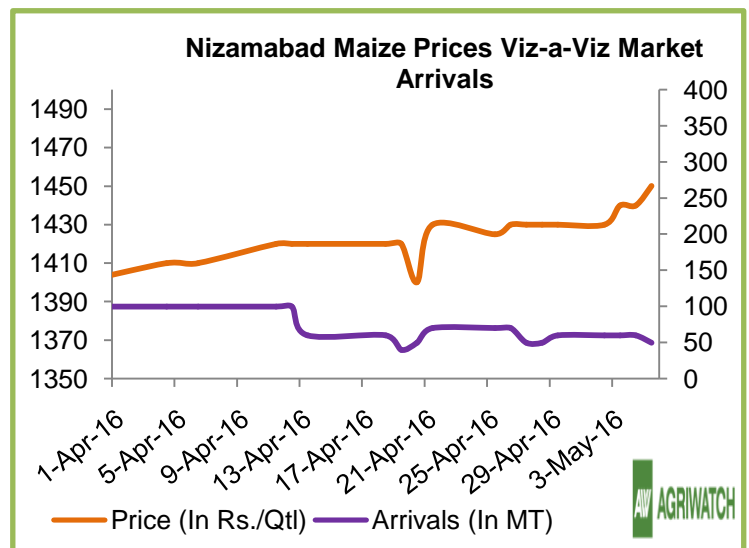
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	15700 (Davangere Origin)	N.A
Namakkal	16000 (Davangere Origin)	N.A
Chennai	16000 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

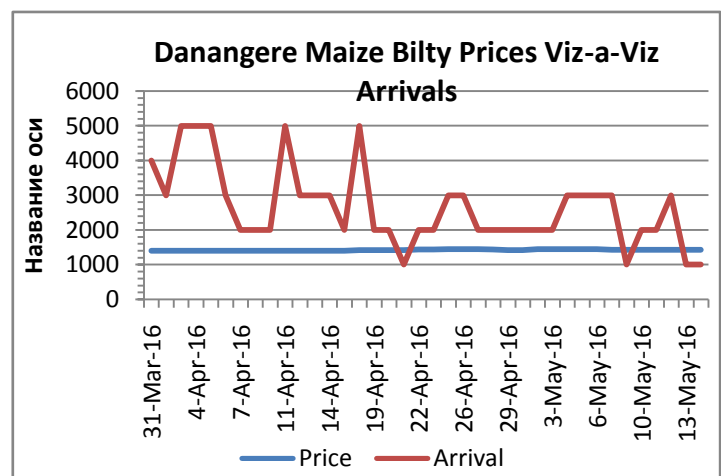
During the week under review, overall steady to firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

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, Namakkal and Chennai at Rs. 1570 per quintal, Rs. 1580 per quintal, and Rs. 1550 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:

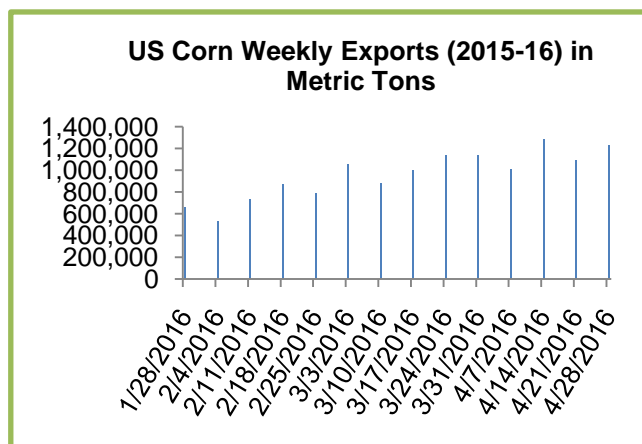
Maize cash market is likely to trade range bound with slightly firm in the near term.

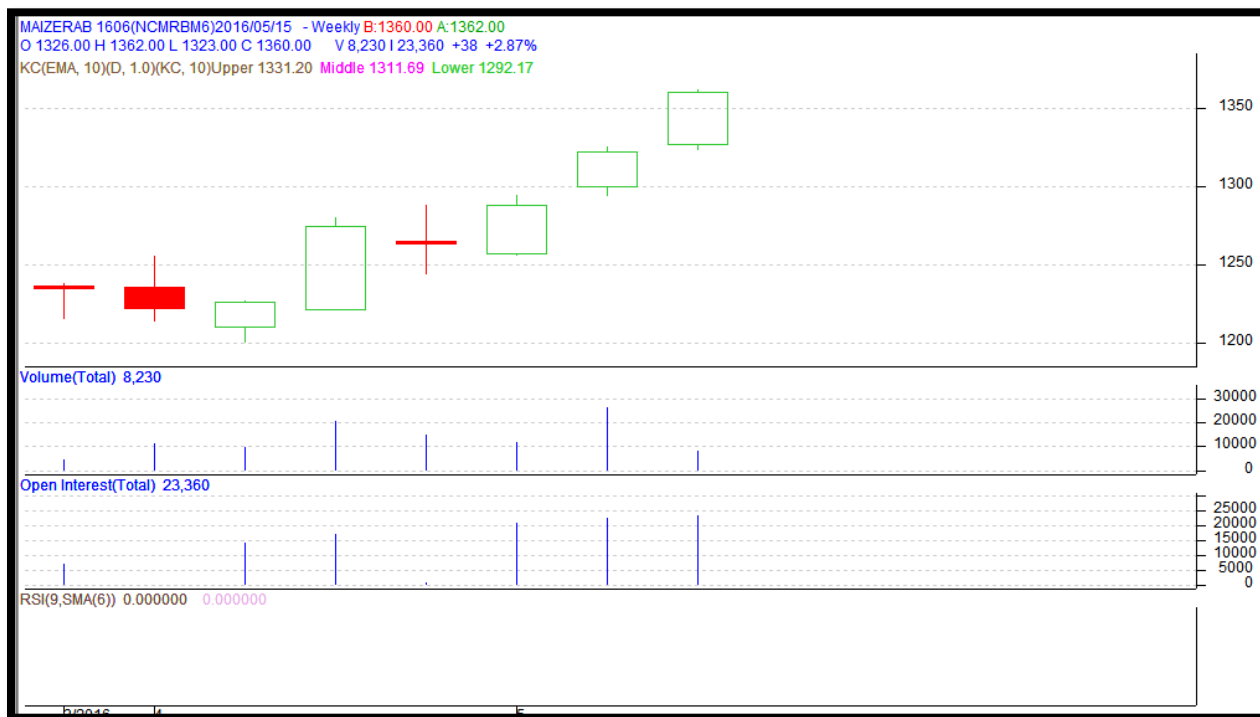
INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 24.58 MMT in the 2015-16 marketing year. At 1.22 MMT (for the period 22nd April- 28th 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).
- 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 1325 for target 1360 and 1365 in the near term.

Strategy: Buy
Maize NCDEX (Jun)

Support & Resistance				
S2	S1	PCP	R1	R2
1270	1280	1322	1375	1380

DAVANGERE MARKET ANALYSIS: MAIZE



*-Not updated (This will update on next week)

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	12-May-16	5-May-16	12-Apr-16	12-May-15	12-May-14
Gulabghagh	Bilty	1250	1200	1120	1100	1120
Delhi	Red	1425	1425	1350	1300	1340
Davangere	Bilty	1430	1450	1400	1250	1260
Shimoga	Bilty	1600	1600	1460	1260	1250
Ranebennur	Bilty	1460	1420	1370	1300	1330
Bagalkot	Hybrid/Local	1490	1482	1421	1306	1205
Gadag	Local	1381	1328	1402	1077	1135
Nizamabad	Bilty	Closed	1450	1420	1280	1260
Khanna	Bilty	1490	1465	1625	1500	1400
Sangli	Bilty	1595	1570	1510	1365	1320
Ahmadabad	Feed	1525	1490	1480	1300	1330
	Starch	1530	1510	1500	1330	1325



Commodity / Centre	Prices (Rs/Qtl)				Chg.
Maize	12-May-16		5-May-16		(+/-)
	Low	High	Low	High	
Davangere (Bilty)	1430	1430	1450	1450	-20
Gulabbagh (Bilty)	1250	1250	1200	1200	50
Nizamabad (Bilty)	Closed	Closed	1450	1450	-

Maize Arrivals (in Quintal)

Market	Grade	12-May-16	5-May-16	12-Apr-16	12-May-15	12-May-14
Gulabbagh	Bilty	10000	5000	10000	20000	10000
Davangere	Bilty	3000	3000	3000	2000	1000
Nizamabad	Bilty	Closed	500	1000	400	5000

Maize CBOT Weekly Futures Price Listing (USD/Ton)

	Contract Month	5/11/2016	5/4/2016	Change
Corn CBOT Prices	16-May	147.21	146.91	0.3
	16-Jul	148.58	148.29	0.29
	16-Sep	149.67	149.17	0.5
	16-Dec	151.73	151.54	0.19
	16-Mar	154.98	154.98	Unch

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