



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

The Cabinet Committee on Economic Affairs has given its approval to increase the MSP of Maize by Rs. 40 per quintal to Rs. 1365 per quintal for kharif season of 2016-17. The prices would be effective from 1.10.2016.

Overall maize cash markets traded firm during last week and are likely to trade steady to slightly firm amid regular feed makers demand. However, in Bihar, maize crop harvesting has been over and contains high moisture level of 16-18%. Maize quality is also affected by fungus.

India exported 4536 MT maize during the week ended 29th May'16 against 5599 MT previous week ending 22nd May'16.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 20 per quintal to Rs. 1580 per quintal. Starch feed makers quoted it firm by Rs. 5 per quintal at Rs.1580 per quintal compared to last week.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for July contract near 1416 levels for a target of 1436 and 1446 with a stop loss at 1404 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1600-1620 per quintal for the week.

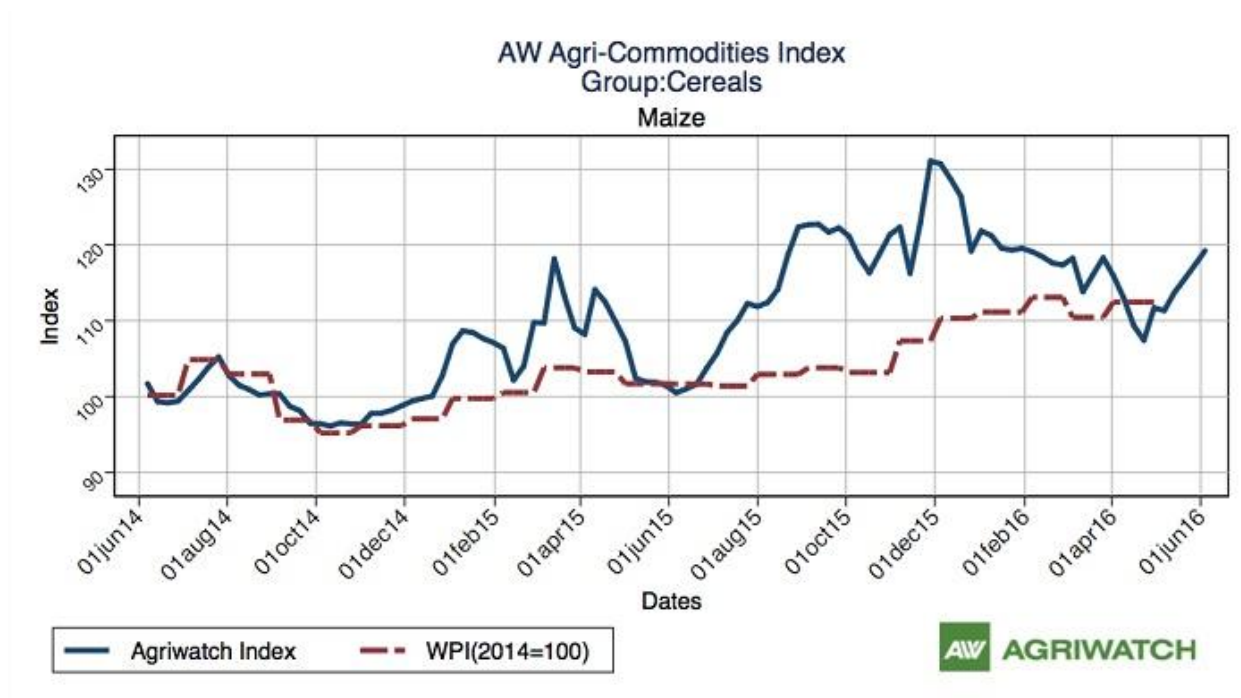
INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 3.54 USD/MT to 162.85 USD/MT for July contracts supported by concerns about shortfalls in Brazil's crop.

In U.S 94% corn planting has been completed as of 29th May, 2016, same compared to last year but higher by 2% from last 5 year average period.

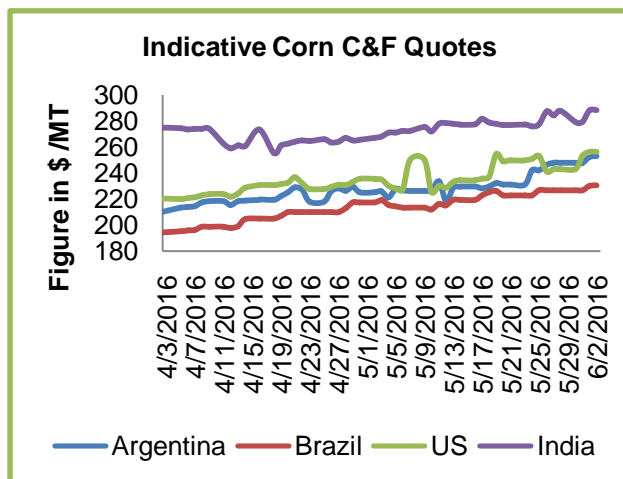
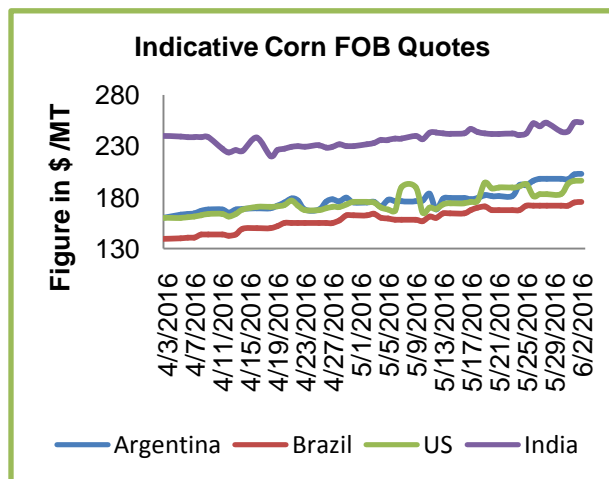
At 0.75 MMT (for the period 20th May- 26th May, 2016) exports were down 33 percent from the previous week and 36 percent from the prior 4-week average.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index up 1.38% during the week ended Jun 4, 2016 compared to previous week. The base for the Index and all sub-Indices is 2014 (= 100). Detailed charts and index computation methodology can be viewed on the ET website and on Agriwatch.com.

EXPORT PARITY TREND



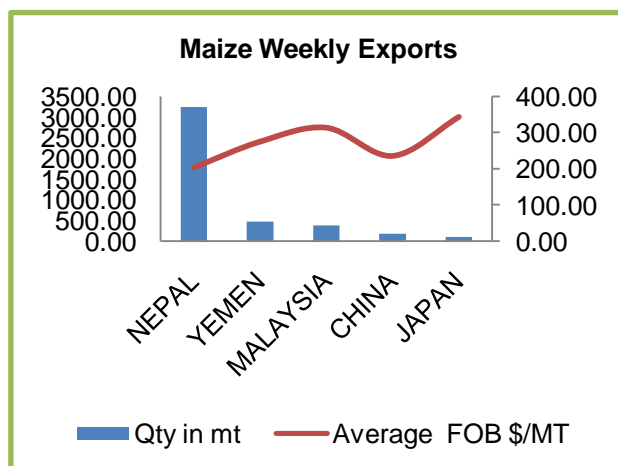
Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.22)

As on 2.06.2016	Argentina	Brazil	US	India
FOB	202.85	175.69	196.20	253.09
Cost and Freight (C&F)	252.85	230.69	256.20	288.09

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 4536 MT maize during the week ended 29th May'16 against 5599 MT previous week ending 22nd May'16. Maize has been exported at an average FoB of \$220.54/ MT. Indian maize is exported mainly to Nepal followed by Yemen and Malaysia mainly through Raxul LCS followed by JNPT Sea.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

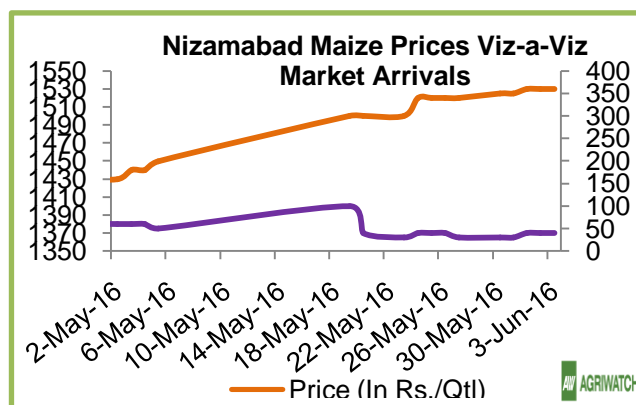
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	17000 (Davangere Origin)	N.A
Namakkal	18000 (Davangere Origin)	N.A
Chennai	17800 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

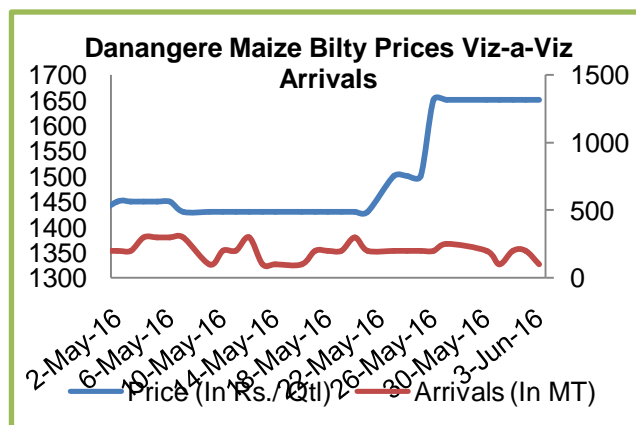
During the week under review, overall firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In A.P, maize is likely to trade steady to slightly firm amid high demand and low supply. In Nizamabad, stock of maize could be around 20000 MT which was 10000 MT compared to last year.


KARNATAKA:

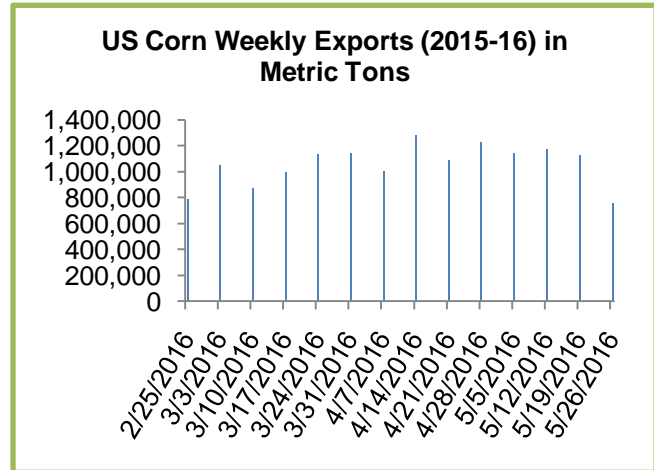
- Maize sourced from Davangere moved towards Bangalore, Nammakal and Chennai at Rs. 1700 per quintal, Rs. 1800 per quintal, and Rs. 1780 per quintal respectively. Market is expected to trade firm in the near term due to high demand from Bangalore and Namakkal feed makers. Stock of maize in the hands of private traders could be around 1 lakh quintal which was 2 lakh quintal during corresponding period of last year.


DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade steady to slightly firm in the near term due to regular feed makers demand amid short supply of high quality material in the market.

INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 28.774 MMT in the 2016-17 marketing year. At 0.75 MMT (for the period 20th May- 26th May, 2016) exports were down 33 percent from the previous week and 36 percent from the prior 4-week average. The primary destinations were Japan (282,600 MT), Mexico (259,800 MT), the Dominican Republic (46,400 MT), Algeria (31,000 MT), Venezuela (30,000 MT), Peru (25,700 MT), and Morocco (23,700 MT).
- In U.S 94% corn planting has been completed as of 29th May, 2016, same compared to last year but higher by 2% from last 5 year average period. 78% crop of corn has emerged; lower by 3% from last year but higher by 3% from last 5 year average period. 72% crop of corn is in good to excellent condition.



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 3.54 USD/MT to 162.85 USD/MT for July contracts supported by concerns about shortfalls in Brazil's crop.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(July Contract Weekly Chart)

- Candlestick depicts range bound movement in the market.
- RSI is moving in neutral zone.
- Prices closed above 9 and 18 days EMAs.
- Strategy: Buy above 1416 for target 1436 and 1446 in the near term.

Strategy: Buy

Maize NCDEX (July)

Support & Resistance				
S2	S1	PCP	R1	R2
1369	1393	1418	1456	1473

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1600-1620 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	02-June-16	26-May-16	02-May-16	02-June-15	02-June-14
Gulabbagh	Bilty	1330	1300	1170	1090	1160
Delhi	Red	1470	1460	1410	1250	1330
Davangere	Bilty	1650	1650	1450	1250	1300
Shimoga	Bilty	1682	NA	1410	1300	1290
Ranebennur	Bilty	1630	1540	1510	1380	1375
Bagalkot	Hybrid/Local	1505	1500	1450	1321	1245
Gadag	Local	1580	1252	1411	1310	1259
Nizamabad	Bilty	1530	1520	1430	1270	1260
Khanna	Bilty	1500	1465	1465	1325	1370
Sangli	Bilty	1700	1660	1560	1400	1380
Ahmadabad	Feed	1570	1550	1490	1300	1335
	Starch	1575	1550	1500	1310	1400

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	6/01/2016	5/25/2016	Change
Corn CBOT Prices	Jul-16	162.85	159.31	3.54
	Sep-16	163.34	160.29	3.05
	Dec-16	163.84	160.79	3.05
	Mar-17	166.49	163.44	3.05
	May-17	168.07	164.43	3.64

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