



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded firm during last week and are likely to trade firm as traders are holding their stock in expectation of better margin ahead. Besides, maize could continue to get support from firm wheat market as duty on wheat remains unchanged.

India exported 4500 MT maize during the week ended 12th Jun'16 against 6192 MT previous week ending 5th Jun'16.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 60 per quintal to Rs. 1700 per quintal. Starch feed makers quoted it firm by Rs. 50 per quintal at Rs.1700 per quintal compared to last week.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for July contract above 1524 levels for a target of 1568 and 1590 with a stop loss at 1498 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1670-1740 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 0.89 USD/MT to 168.89 USD/MT for July contracts.

In U.S, 96% crop of corn has emerged; higher by 1% from last year and 2% from last 5 year average period. 75% crop of corn is in good to excellent condition.

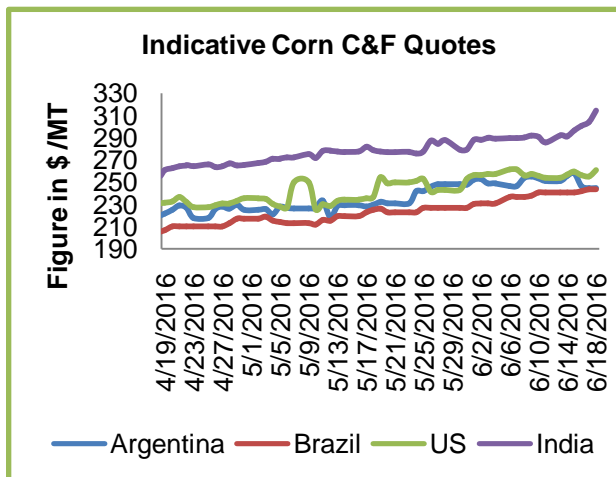
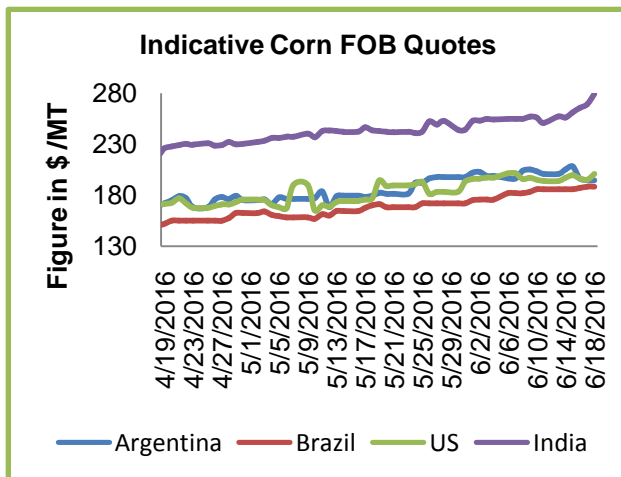
At 1.50 MMT (for the period 3rd Jun- 9th Jun, 2016) exports were up 27 percent from the previous week and 42 percent from the prior 4-week average.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index up 1.42% during the week ended Jun 18, 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



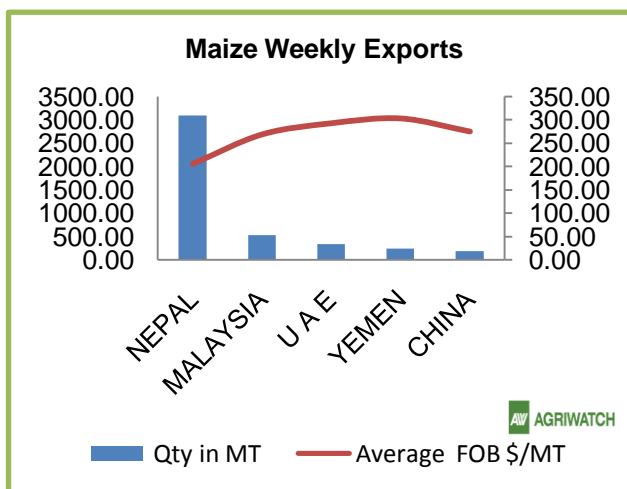
Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.07)

As on 18.06.2016	Argentina	Brazil	US	India
FOB	194.69	188.46	200.70	279.26
Cost and Freight (C&F)	244.69	243.46	260.70	314.26

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 4500 MT maize during the week ended 12th Jun'16 against 6192 MT previous week ending 5th Jun'16. Maize has been exported at an average FoB of \$215.35/ MT. Indian maize is exported mainly to Nepal followed by Malaysia mainly through Raxul LCS followed by JNPT Sea.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

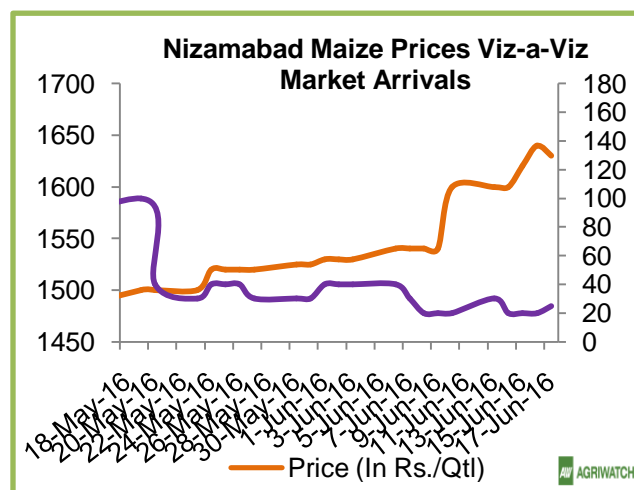
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	18000 (Davangere Origin)	N.A
Namakkal	18000 (Davangere Origin)	N.A
Chitradurga	17500 (Davangere Origin)	N.A
Sangli	17000 (Davangere Origin)	N.A
Chennai	18000 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

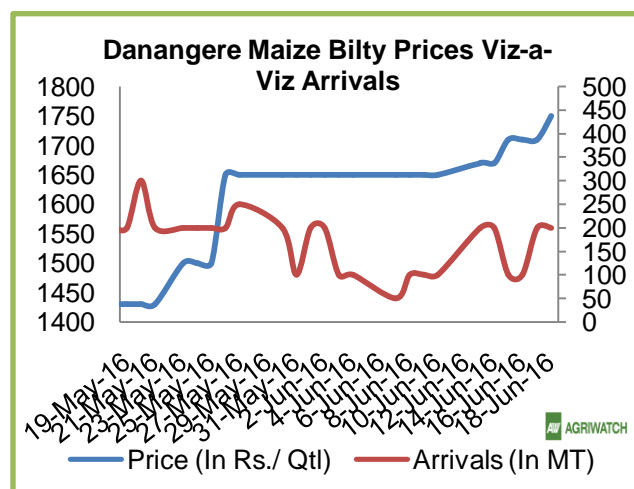
During the week under review, overall firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

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 17000 MT which was 25000 MT compared to last year.


KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1800 per quintal, 1800 per quintal, 1750 per quintal, Rs. 1700 per quintal, and Rs. 1800 per quintal respectively. Market is expected to trade firm in the near term due to high demand.



BIHAR:

In Bihar, maize is expected to trade high due to high feed makers demand.

DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade firm in the near term amid high demand and low supply in the market.

INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 31.46 MMT in the 2016-17 marketing year. At 1.50 MMT (for the period 3rd Jun- 9th Jun, 2016) exports were up 27 percent from the previous week and 42 percent from the prior 4-week average. The primary destinations were Japan (215,600 MT), Mexico (195,600 MT), South Korea (190,300 MT), Egypt (160,500 MT), Chile (89,200 MT), Peru (79,700 MT), and Taiwan (76,900 MT).

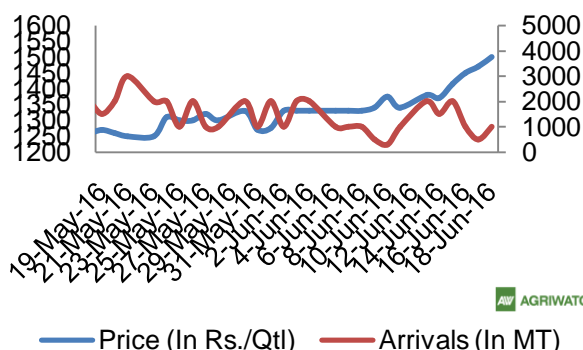
- In U.S, 96% crop of corn has emerged; higher by 1% from last year and 2% from last 5 year average period. 75% crop of corn is in good to excellent condition.

- South Korea's Major Feed mill Group purchased 130,000 MT of optional-origin yellow corn. Some 65,000 MT was purchased at \$213.71 / MT c&f plus a \$0.75 /MT surcharge for additional port unloading for arrival around Aug. 20. Remained was bought at \$205.00 / MT c&f plus a \$1.25 /MTsurcharge for additional port unloading for arrival around Sept. 10. Meanwhile, Korea Corn Processing Industry Association purchased about 55,000 MT of corn at \$214.90 /MT c&f including surcharge for additional port unloading for July/August shipment from the U.S. for the arrival around Aug. 25.

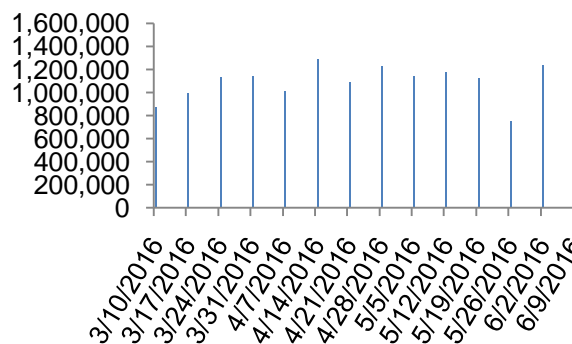
INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 0.89 USD/MT to 168.89 USD/MT for July contracts on improving weather outlooks for the U.S. midwest.

Gulabgh Maize Prices Viz-a-Viz Market Arrivals



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



FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(July Contract Weekly Chart)

- Candlestick depicts firmness in the market.
- RSI is moving up in overbought zone.
- Prices closed above 9 and 18 days EMAs.
- Increase in prices with higher volume and OI indicates long build up.
- Strategy: Buy above 1524 for target 1568 and 1590 in the near term.

Strategy: Buy
Maize NCDEX (July)

Support & Resistance				
S2	S1	PCP	R1	R2
1448	1496	1544	1598	1646

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1670-1740 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	16-Jun-16	9-Jun-16	16-May-16	16-Jun-15	16-Jun-14
Gulabghagh	Bilty	1450	1340	1250	1100	950
Delhi	Red	1600	1500	1450	1190	1200
Davangere	Bilty	1710	1650	1430	1300	1330
Shimoga	Bilty	NA	1720	1600	1310	1310
Ranebennur	Bilty	1635	1620	1490	NA	1380
Bagalkot	Hybrid/Local	1550	1400	1490	1290	1251
Gadag	Local	1650	1621	1324	1469	1209
Nizamabad	Bilty	1640	1540	1500	1275	1240
Khanna	Bilty	1575	1480	1500	1160	1200
Sangli	Bilty	1760	1760	1600	1450	1400
Ahmadabad	Feed	1675	1650	1560	1320	1325
	Starch	1680	1640	1560	1350	1360



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	6/15/2016	6/8/2016	Change
Corn CBOT Prices	Jul-16	168.89	169.78	-0.89
	Sep-16	170.86	171.15	-0.29
	Dec-16	173.02	172.04	0.98
	Mar-17	174.99	173.71	1.28
	May-17	175.98	174.8	1.18

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