



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded mixed during the week and is expected to trade steady to slightly weak on the expectation of import of maize in near term.

With increasing price in domestic cash market, Government may allow corn import once again to curb the firm trend in the market. However, it may be conditional like non GM corn. There is still uncertainty over availability of non-gm crop in global market.

India exported 4933 MT maize during the week ended 26th Jun'16 against 5372 MT previous week ending 19th Jun'16.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 100 per quintal to Rs. 1750 per quintal. Starch feed makers quoted it down by Rs. 50 per quintal at Rs.1750 per quintal compared to last week.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for August contract near 1605 levels for a target of 1555 and 1530 with a stop loss at 1635 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1740-1750 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 7.97 USD/MT to 146.75 USD/MT for July contracts on forecasts for good weather for crop development in the U.S. Midwest.

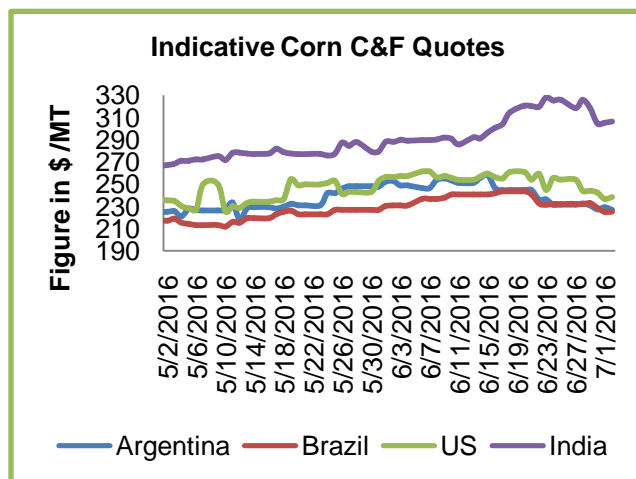
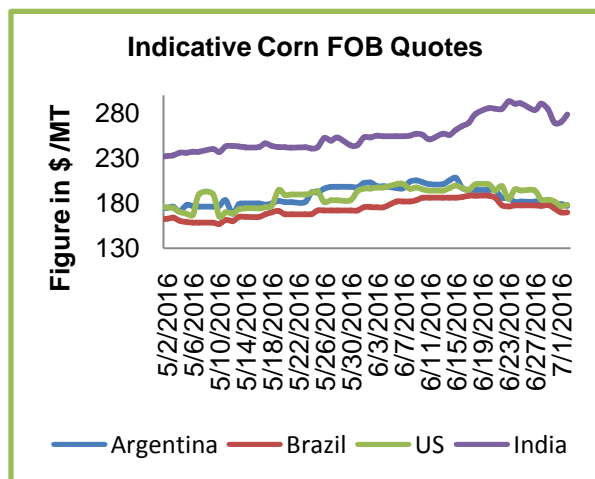
The IGC kept unchanged its forecast for the 2016/17 global corn production at 1003 MMT compared to last month.

At 1.49 MMT (for the period 17th Jun- 23rd Jun, 2016) exports were up 24 percent from the previous week and 29 percent from the prior 4-week average.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index up 0.45% during the week ended July 2, 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.

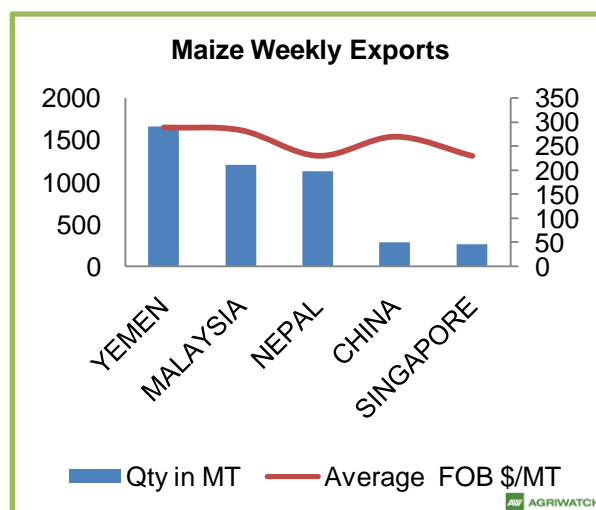
EXPORT PARITY TREND

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.18)

As on 2.07.2016	Argentina	Brazil	US	India
FOB	177.17	170.05	178.30	271.29
Cost and Freight (C&F)	227.17	225.05	238.30	306.29

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 4933 MT maize during the week ended 26th Jun'16 against 5372 MT previous week ending 19th Jun'16. Maize has been exported at an average FoB of \$254.46/ MT. Indian maize is exported mainly to Yemen followed by Malaysia and Nepal mainly through JNPT followed by Kandla and Kolkata Sea.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

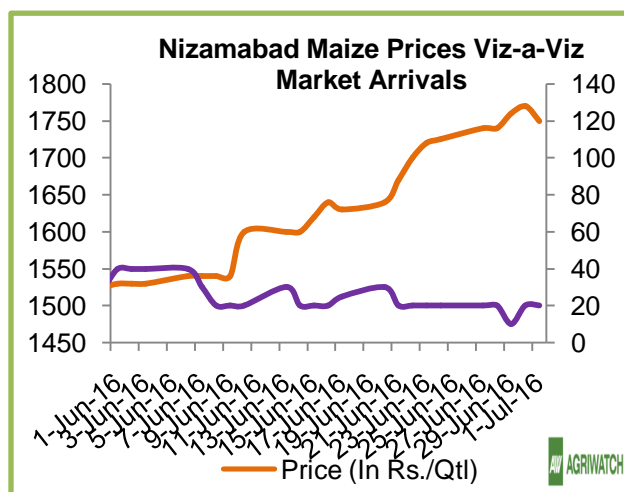
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	18500 (Davangere Origin)	N.A
Namakkal	18700 (Davangere Origin)	N.A
Chitradurga	18250 (Davangere Origin)	N.A
Sangli	18000 (Davangere Origin)	N.A
Chennai	18500 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

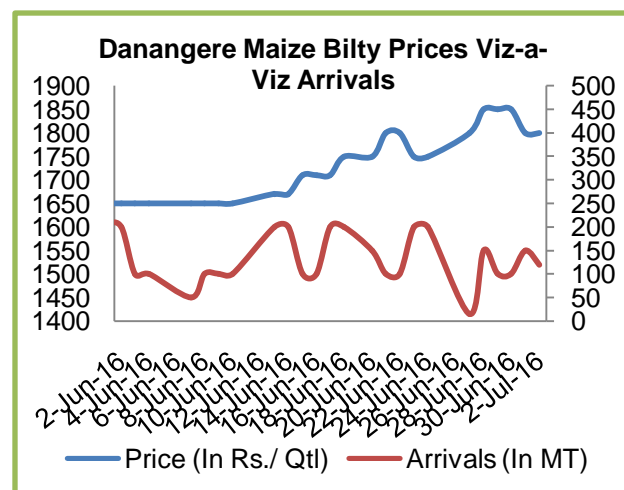
During the week under review, mixed sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In A.P, maize is likely to trade slightly weak in the near term amid sluggish demand. In Nizamabad; stock of maize could be around 20000 MT which was 35000 MT compared to last year. Area of maize is likely to increase due to shift from Soybean.


KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1850 per quintal, 1870 per quintal, 1825 per quintal, Rs. 1800 per quintal, and Rs. 1850 per quintal respectively. Market is expected to trade steady in the near term.



BIHAR:

In Bihar, maize is expected to trade steady in the near term. Despite the low demand, traders are not interested to sell their stock at these levels.

DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to steady to slightly weak for the week.

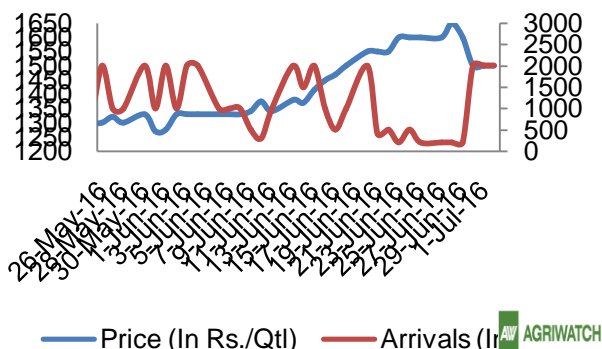
INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 34.17 MMT in the 2016-17 marketing year. At 1.49 MMT (for the period 17th Jun- 23rd Jun, 2016) exports were up 24 percent from the previous week and 29 percent from the prior 4-week average. The primary destinations were Japan (370,200 MT), Mexico (283,600 MT), Vietnam (176,400 MT), South Korea (125,900 MT), Peru (99,000 MT), and Chile (77,800 MT).
- The IGC kept unchanged its forecast for the 2016/17 global corn production at 1003 MMT compared to last month. Forecast for global corn ending stock was unchanged at 205 MMT compared to last month but up by 1 MMT compared to last year.

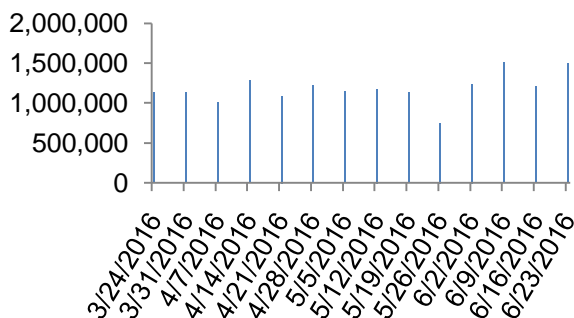
INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 7.97 USD/MT to 146.75 USD/MT for July contracts on forecasts for good weather for crop development in the U.S. Midwest.

Gulabbagh Maize Prices Viz-a-Viz Market Arrivals



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



FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(Aug Contract Weekly Chart)

- Candlestick depicts down in the market.
- RSI is moving down in neutral zone.
- Prices closed below 9 and 18 days EMAs.
- Decrease in prices with higher volume and OI indicates short build up.
- Strategy: Sell near 1605 for target 1555 and 1530 in the near term.

Strategy: Sell
Maize NCDEX (Aug)

Support & Resistance				
S2	S1	PCP	R1	R2
1465	1530	1596	1693	1791

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1740-1750 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	30-Jun-16	23-Jun-16	30-May-16	30-Jun-15	30-Jun-14
Gulabbagh	Bilty	1500	1600	1330	1160	1120
Delhi	Red	1600	1675	1460	1215	1190
Davangere	Bilty	1850	1750	1650	1400	1300
Shimoga	Bilty	1900	1675	1630	1310	1300
Ranebennur	Bilty	1800	1670	1550	1345	1405
Bagalkot	Hybrid/Local	1420	1508	1500	1320	NA
Gadag	Local	1386	1404	1442	1152	1141
Nizamabad	Bilty	1770	1720	1525	1300	1240
Khanna	Bilty	1685	1610	1510	1280	1210
Sangli	Bilty	1905	1870	1675	1556	1500
Ahmadabad	Feed	1760	1800	1550	1350	1360
	Starch	1730	1750	1560	1360	1350

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	6/29/2016	6/22/2016	Change
Corn CBOT Prices	Jul-16	146.75	154.72	-7.97
	Sep-16	148.71	156.78	-8.07
	Dec-16	150.78	159.05	-8.27
	Mar-17	153.63	161.71	-8.08
	May-17	155.21	163.08	-7.87

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