

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 range bound in near term.

In India, maize has been sown in around 44.20 lakh hectares as on 8th July'16 which is lower than 44.35 lakh hectare covered during corresponding period last year. However, it is expected that maize sown area will increase due to favourable weather conditions.

In Karnataka, it has been sown in 7.73 lakh a hectare which is higher than last year's 6.29 lakh hectare covered during corresponding period last year while in Maharashtra; it has been down by 2.55 lakh hectares to 2.20 lakh hectares. In M.P, it has been up by 0.29 lakh hectares to 8.76 lakh hectares.

India exported 3432 MT maize during the week ended 3rd July'16 against 4933 MT previous week ending 26th Jun'16.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize steady at Rs. 1750 per quintal. Starch feed makers quoted it firm by Rs. 25 per quintal at Rs.1775 per quintal compared to last week.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for August contract near 1580 levels for a target of 1550 and 1535 with a stop loss at 1598 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1700 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 14.57 USD/MT to 132.18 USD/MT for July contracts on forecasts for good weather for crop development in the U.S. Midwest.

In U.S, 15% crop of corn is in the silking stage; higher by 5% from last year and 2% from last 5 year average period. 75% crop of corn is in good to excellent condition.

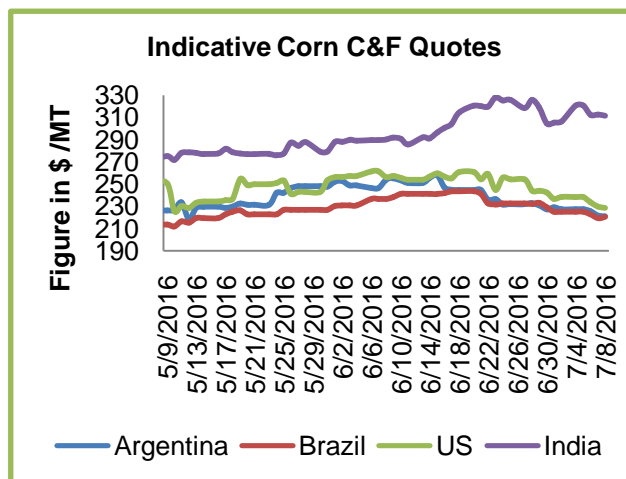
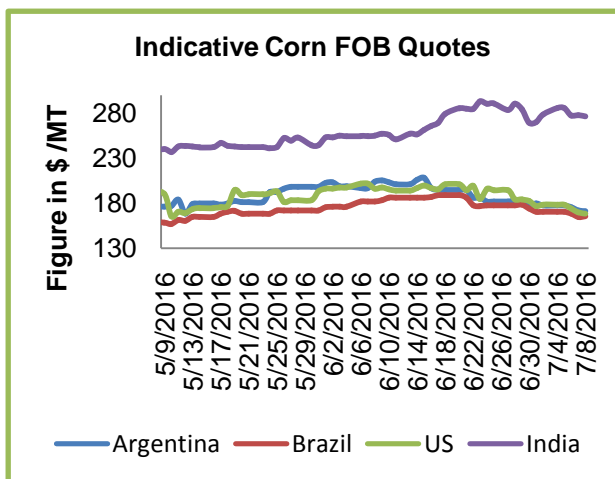
At 1.27 MMT (for the period 24th Jun- 30th Jun, 2016) exports were down 15 percent from the previous week and 6 percent from the prior 4-week average.

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

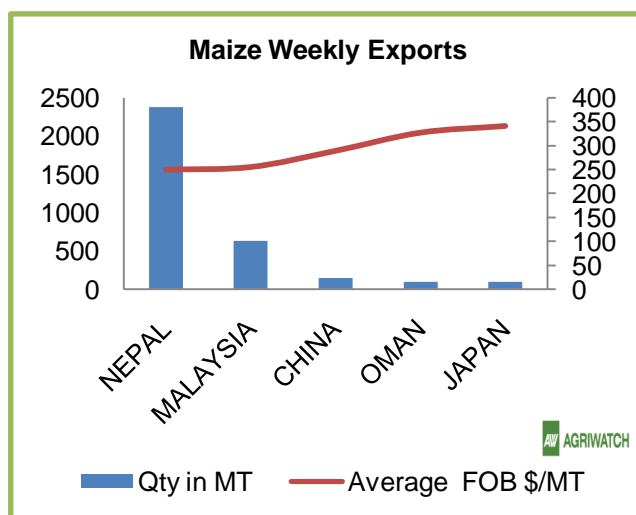


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.45)				
As on 8.07.2016	Argentina	Brazil	US	India
FOB	171.16	165.25	168.40	276.19
Cost and Freight (C&F)	221.16	220.25	228.40	311.19

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 3432 MT maize during the week ended 3rd July'16 against 4933 MT previous week ending 26th Jun'16. Maize has been exported at an average FoB of \$256.29 / MT. Indian maize is exported mainly to Nepal followed by Malaysia mainly through Raxul LCS.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

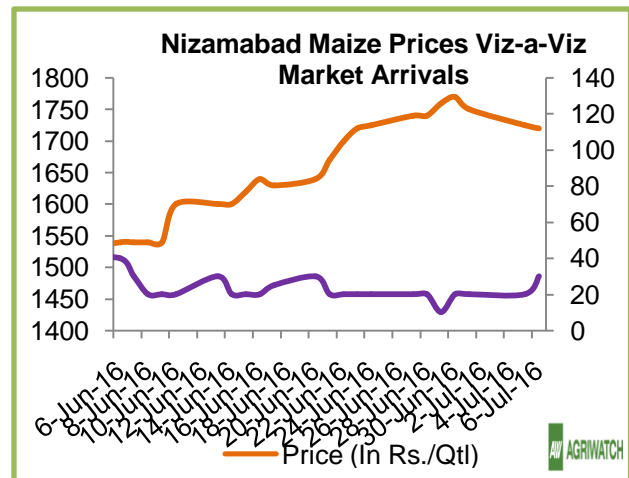
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	18200 (Davangere Origin)	N.A
Namakkal	18500 (Davangere Origin)	N.A
Chitradurga	17750 (Davangere Origin)	N.A
Sangli	18000 (Davangere Origin)	N.A
Chennai	18500 (Davangere Origin)	N.A

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:

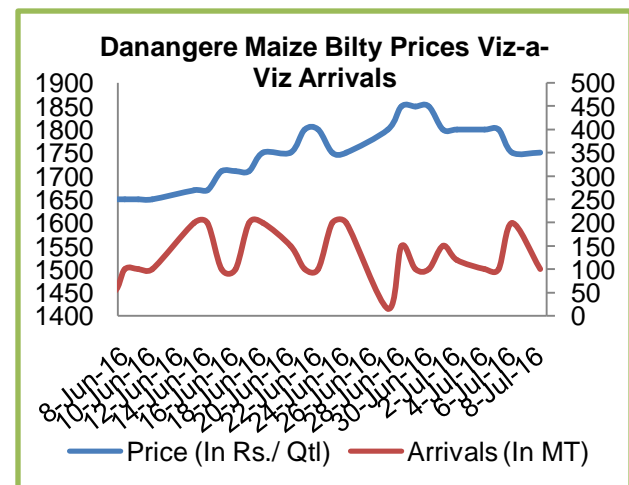
ANDHRA PRADESH:

- 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 last year. Area of maize is likely to increase due to shift from Soybean.



KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangali and Chennai at Rs. 1820 per quintal, 1850 per quintal, 1775 per quintal, Rs. 1800 per quintal, and Rs. 1850 per quintal respectively. Despite sluggish demand, market is expected to trade steady in the near term as farmers are not ready to sell their stock on the expectation of better price margin in future.

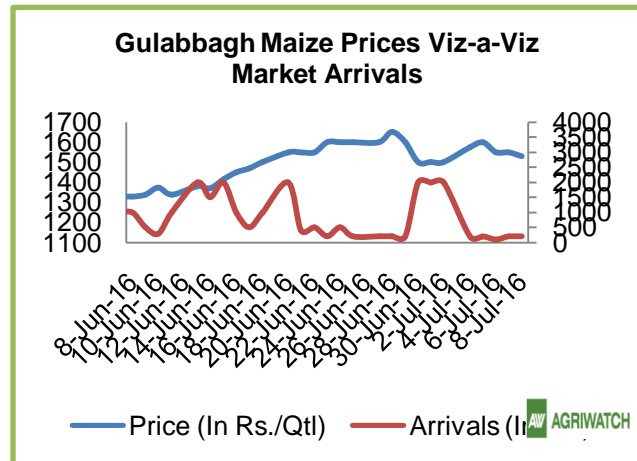


BIHAR:

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.

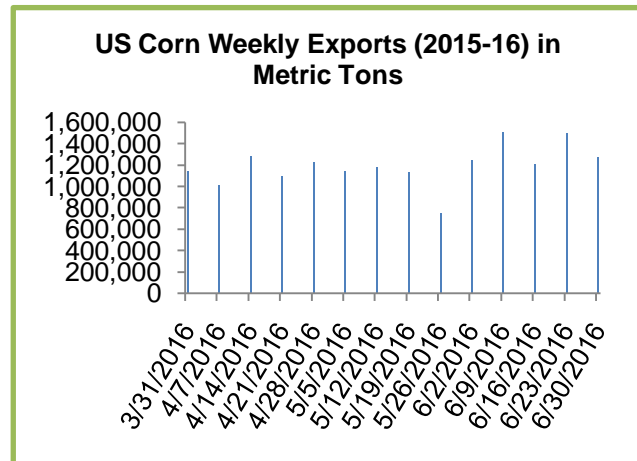
DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade range bound for the week.



INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 35.44 MMT in the 2016-17 marketing year. At 1.27 MMT (for the period 24th Jun- 30th Jun, 2016) exports were down 15 percent from the previous week and 6 percent from the prior 4-week average. The primary destinations were Japan (480,600 MT), Taiwan (217,500 MT), Mexico (173,000 MT), Venezuela (77,400 MT), Saudi Arabia (77,000 MT), and Vietnam (66,800 MT).
- South Korea's Korea Corn Processing Industry Association bought about 55,000 MT of yellow corn at \$196.38 /MTc&f including a surcharge for additional port unloading; for arrival in South Korean around Oct. 20.
- In U.S, 15% crop of corn is in the silking stage; higher by 5% from last year and 2% from last 5 year average period. 75% crop of corn is in good to excellent condition.



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 14.57 USD/MT to 132.18 USD/MT for July contracts on forecasts of good weather for crop development in the U.S. Midwest.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(Aug Contract Weekly Chart)

- Candlestick depicts down in the market.
- RSI is moving in neutral zone.
- Prices closed below 9 and 18 days EMAs.
- Decrease in prices with higher OI indicates short build up.
- Strategy: Sell near 1580 for target 1550 and 1535 in the near term.

Strategy: Sell

Maize NCDEX (Aug)

Support & Resistance				
S2	S1	PCP	R1	R2
1494	1523	1567	1600	1625

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1700 per quintal for the week.

**ANNEXURE
MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)**

Market	Grade	7-Jul-16	30-Jun-16	7-Jun-16	7-Jul-15	7-Jul-14
Gulabghagh	Bilty	1550	1500	1330	1200	1100
Delhi	Red	1600	1600	1475	1250	1240
Davangere	Bilty	1750	1850	1650	1450	1370
Shimoga	Bilty	1950	1900	1600	1310	1330
Ranebennur	Bilty	1800	1800	1460	1400	1325
Bagalkot	Hybrid/Local	1550	1420	1480	1340	1322
Gadag	Local	1524	1386	1621	1293	1055
Nizamabad	Bilty	1720	1770	1540	1300	NA
Khanna	Bilty	1625	1685	1480	1280	1200
Sangli	Bilty	1850	1905	1730	1561	1495
Ahmadabad	Feed	1750	1760	1600	1370	1350
	Starch	1775	1730	1575	1380	1340

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	7/6/2016	6/29/2016	Change
Corn CBOT Prices	Jul-16	132.18	146.75	-14.57
	Sep-16	134.44	148.71	-14.27
	Dec-16	137.1	150.78	-13.68
	Mar-17	140.84	153.63	-12.79
	May-17	143.1	155.21	-12.11

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