

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to weak during the week. However, it is expected to trade range bound with firm bias in near term due to low supply in the market.

In India, maize has been sown in around 68.26 lakh hectares as on 22nd July'16 which is higher than 62.61 lakh hectare covered during corresponding period last year. It is expected that maize sown area will increase due to favourable weather conditions.

In Karnataka, it has been sown in 10.12 lakh a hectare which is higher than last year's 7.65 lakh hectare covered during corresponding period last year while in Maharashtra; it has been up by 0.31 lakh hectares to 6.71 lakh hectares. In M.P, it has been up by 1.98 lakh hectares to 11.71 lakh hectares.

"State Trading Corporation of India Limited floats a global tender for Import of 1,30,000 MT of Maize/Corn (NON-GMO) under TRQ, at various ports in India for the shipment in August,2016. For further details, please visit www.stclimited.co.in".

State-run trading company PEC has issued tender to buy 2,00,000 MT of yellow corn for the shipment December,2016 and January 2017, with offers remaining valid up to July 29.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 10 per quintal to Rs. 1740 per quintal. Starch feed makers quoted it firm by Rs. 25 per quintal at Rs.1750 per quintal compared to last week.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for August contract near 1570 levels for a target of 1600 and 1615 with a stop loss at 1552 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 9.64 USD/MT to 132.87 USD/MT for September contracts compared to last week as an outlook for cooler temperature across the U.S. grain belt boosted expectations of a bumper crop.

In U.S, 56% crop of corn is in the silking stage; higher by 9% from last year and 10% from last 5 year average period. 76% crop of corn is in good to excellent condition.

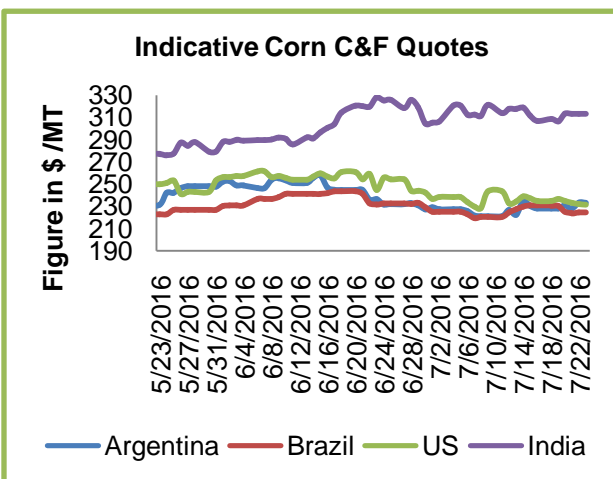
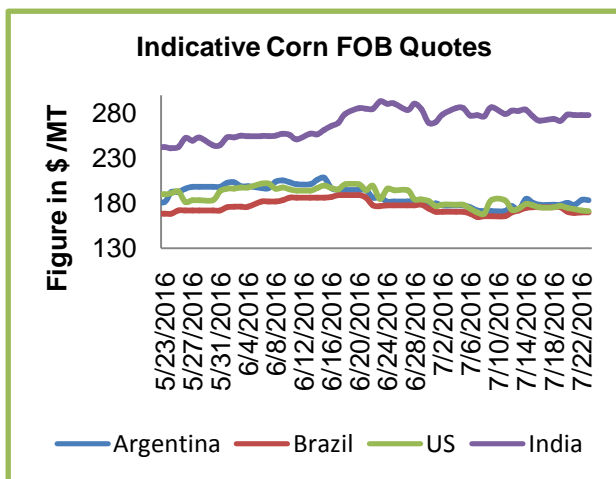
At 1.24 MMT (for the period 8th July- 14th July, 2016) exports were unchanged from the previous week, but down 5 percent from the prior 4-week average.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index up 1.66% during the week ended July 16, 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



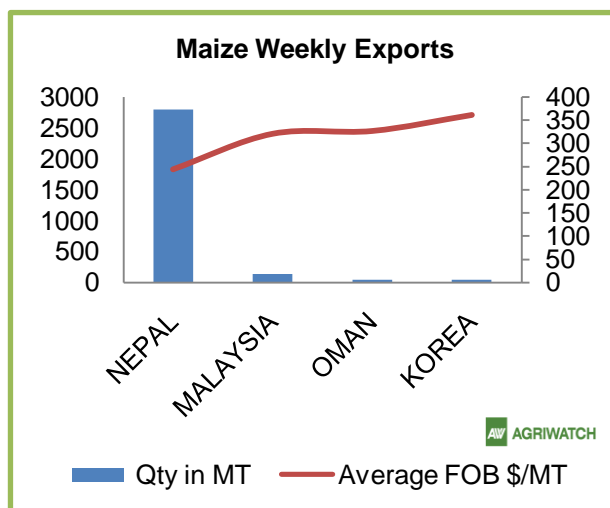
Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.15)

As on 23.07.2016	Argentina	Brazil	US	India
FOB	183.07	169.32	171.26	277.97
Cost and Freight (C&F)	233.07	224.32	231.26	312.97

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 3041.6 MT maize during the week ended 17th July'16 against 4467 MT previous week ending 10th July'16. Maize has been exported at an average FoB of \$250.80 / MT. Indian maize is exported mainly to Nepal mainly through Raxul LCS.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

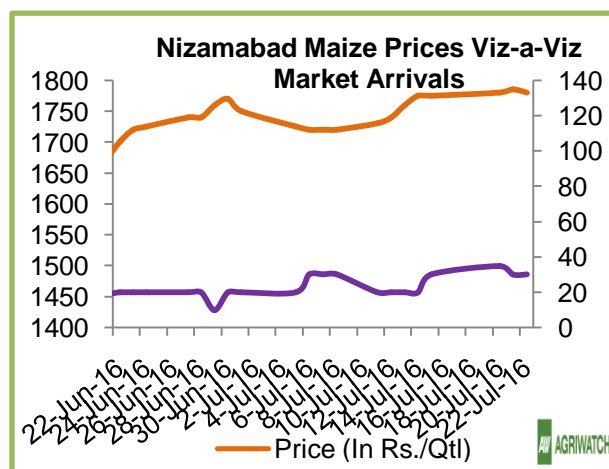
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	18500 (Davangere Origin)	N.A
Namakkal	18500 (Davangere Origin)	N.A
Chitradurga	18000 (Davangere Origin)	N.A
Sangli	18250 (Davangere Origin)	N.A
Chennai	18500 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

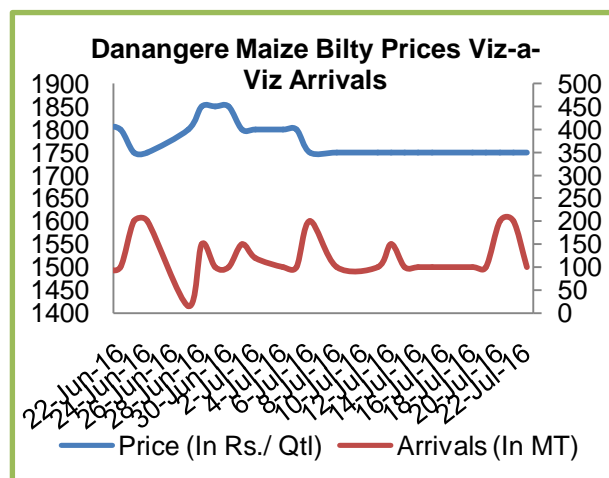
During the week under review, steady to weak sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In A.P, maize is likely to trade steady in the near term. In Nizamabad; stock of maize could be around 7000 MT which was 5000 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, Sangli and Chennai at Rs. 1850 per quintal, 1850 per quintal, 1800 per quintal, Rs. 1825 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 to firm in the near term amid high demand.

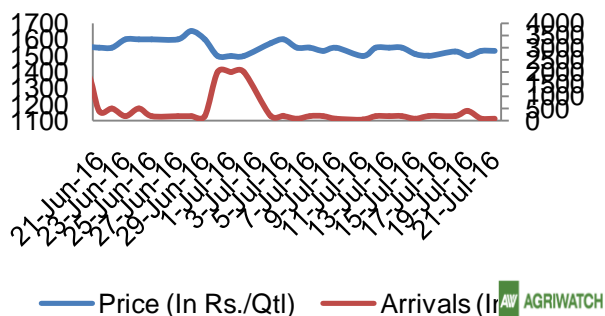
DOMESTIC MAIZE OUTLOOK:

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

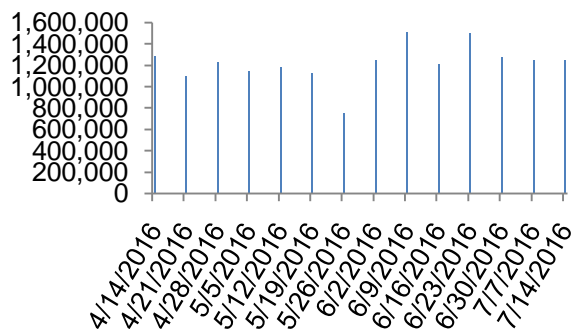
INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 37.92 MMT in the 2016-17 marketing year. At 1.24 MMT (for the period 8th July-14th July, 2016) exports were unchanged from the previous week, but down 5 percent from the prior 4-week average. The primary destinations were Japan (340,800 MT), Mexico (268,600 MT), Taiwan (145,100 MT), Algeria (88,900 MT), South Korea (66,500 MT), and Colombia (47,600 MT).
- In U.S, 56% crop of corn is in the silking stage; higher by 9% from last year and 10% from last 5 year average period. 76% crop of corn is in good to excellent condition.

Gulabgh Maize Prices Viz-a-Viz Market Arrivals



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



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 9.64 USD/MT to 132.87 USD/MT for September contracts compared to last week as an outlook for cooler temperature across the U.S. grain belt boosted expectations of a bumper crop.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(Aug Contract Weekly Chart)

- Candlestick depicts firmness in the market.
- RSI is moving in overbought zone.
- Prices closed above 9 and 18 days EMAs.
- Increase in prices with lower OI indicates short covering.
- Strategy: Buy above 1570 for target 1600 and 1615 in the near term.

Strategy: Sell
Maize NCDEX (Aug)

Support & Resistance				
S2	S1	PCP	R1	R2
1470	1526	1583	1617	1647

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	21-Jul-16	14-Jul-16	21-Jun-16	21-Jul-15	21-Jul-14
Gulabbagh	Bilty	1530	1550	1550	1240	1150
Delhi	Red	1560	1570	1625	1400	1270
Davangere	Bilty	1750	1750	1800	1480	1350
Shimoga	Bilty	1900	NA	1675	1300	NA
Ranebennur	Bilty	1775	NA	1600	1460	1485
Bagalkot	Hybrid/Local	NA	1600	1500	1450	NA
Gadag	Local	1697	1765	1344	1089	1051
Nizamabad	Bilty	1785	1775	1670	1350	NA
Khanna	Bilty	1600	1620	1600	1275	1250
Sangli	Bilty	1860	1875	1830	1600	1470
Ahmadabad	Feed	1765	1750	1725	1460	1450
	Starch	1750	1730	1750	1410	1380

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	20-Jul-16	13-Jul-16	Change
Corn CBOT Prices	Sep-16	132.87	142.51	-9.64
	Dec-16	135.53	145.56	-10.03
	Mar-17	139.07	148.52	-9.45
	May-17	141.33	150.39	-9.06
	July-17	143.3	143.99	-0.69

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