



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded firm due to low supply during the week and is expected to trade range bound with firm bias in near term also as PEC and STC' tender for maize import did not receive much support.

In India, maize has been sown in around 75.94 lakh hectares as on 29th July'16 which is higher than 66.12 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 11.00 lakh hectare which is higher than last year's 7.80 lakh hectare covered during corresponding period last year while in Maharashtra; it has been up by 1.37 lakh hectares to 8.03 lakh hectares. In M.P, it has been up by 1.71 lakh hectares to 12.14 lakh hectares.

As per IBIS data, India exported 3587 MT maize during the week ended 24th July'16 against 3041.6 MT previous week ending 17th July'16. Maize has been exported at an average FoB of \$245.09 / MT. Indian maize is exported mainly to Nepal mainly through Raxul LCS.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 10 per quintal to Rs. 1750 per quintal. Starch feed makers quoted it firm by Rs. 10 per quintal at Rs.1760 per quintal compared to last week.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for September contract near 1546 levels for a target of 1522 and 1510 with a stop loss at 1560 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1700-1720 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 0.69 USD/MT to 132.18 USD/MT for September contracts compared to last week as IGC raised its global corn production forecast.

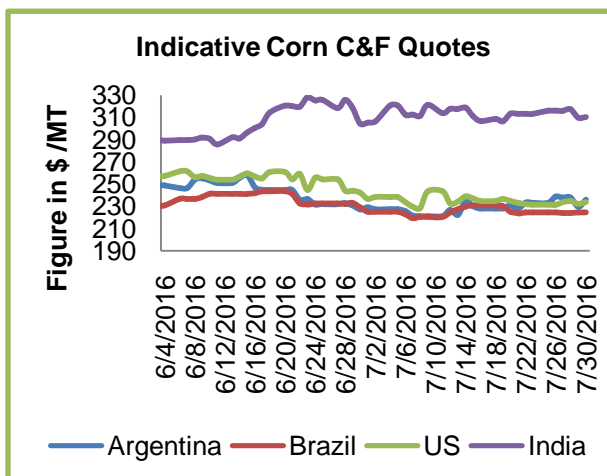
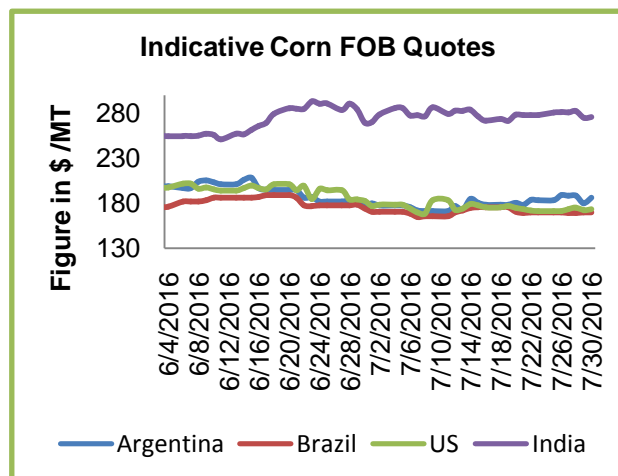
In U.S, 79% crop of corn is in the silking stage as on 24th July'16; higher by 8% from last year and 9% from last 5 year average period.

At 1.379 MMT (for the period 15th July- 21st July, 2016) exports were up 11 percent from the previous week and 5 percent from the prior 4-week average.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index down 0.70% during the week ended July 30, 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.

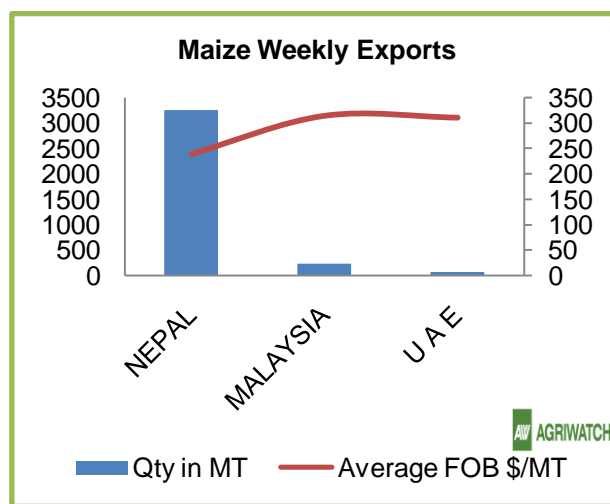
EXPORT PARITY TREND

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.69)

As on 30.07.2016	Argentina	Brazil	US	India
FOB	185.83	169.46	173.43	275.55
Cost and Freight (C&F)	235.83	224.46	233.43	310.55

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 3587 MT maize during the week ended 24th July'16 against 3041.6 MT previous week ending 17th July'16. Maize has been exported at an average FoB of \$245.09 / MT. Indian maize is exported mainly to Nepal mainly through Raxul LCS.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

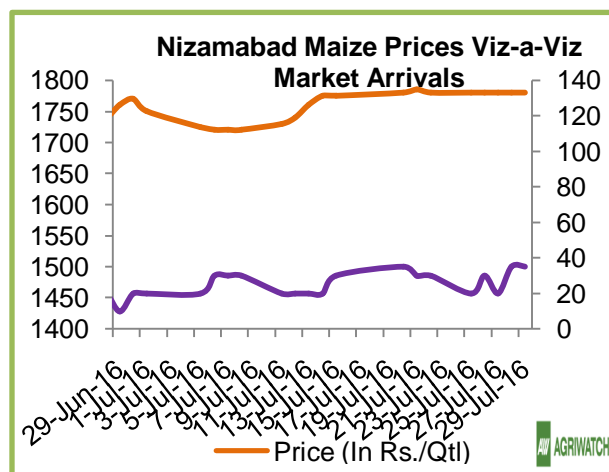
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	18500 (Davangere Origin)	N.A
Namakkal	18500 (Davangere Origin)	N.A
Chitradurga	18000 (Davangere Origin)	N.A
Sangli	18250 (Davangere Origin)	N.A
Chennai	18500 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

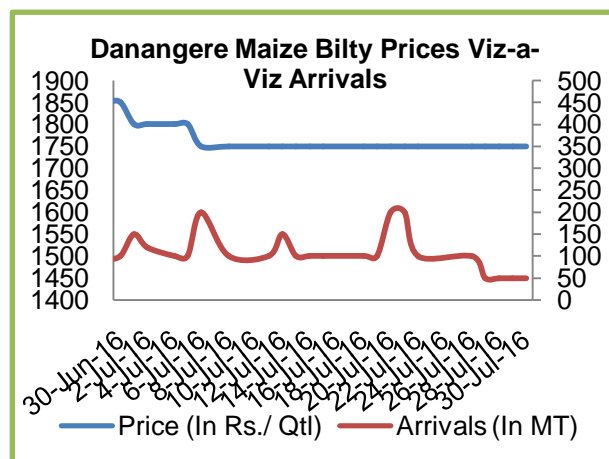
During the week under review, firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In A.P, maize is likely to trade steady to slightly firm 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, Sangali 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 to slightly firm 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.

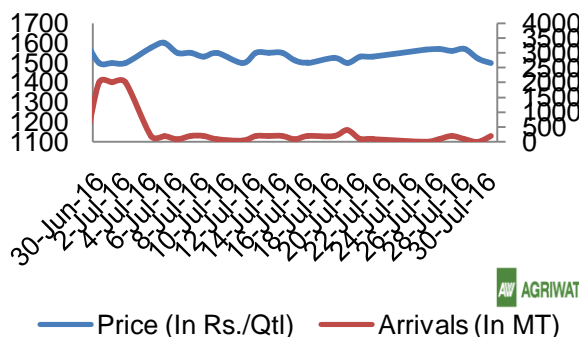
DOMESTIC MAIZE OUTLOOK:

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

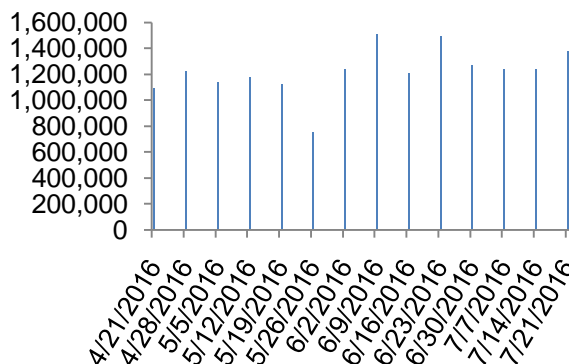
INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 39.30 MMT in the 2016-17 marketing year. At 1.379 MMT (for the period 15th July- 21st July, 2016) exports were up 11 percent from the previous week and 5 percent from the prior 4-week average. The primary destinations were Mexico (272,600 MT), South Korea (272,200 MT), Japan (231,000 MT), Saudi Arabia (122,000 MT), Colombia (76,200 MT), and Taiwan (72,100 MT).
- In U.S, 79% crop of corn is in the silking stage as on 24th July'16; higher by 8% from last year and 9% from last 5 year average period. 13% crop of corn is in the dough stage; higher by 1% from last year but same from last 5 year average period. 76% crop of corn is in good to excellent condition.
- The IGC raised its forecast for the 2016/17 global corn production by 15 MMT to 1017 MMT compared to last projection. Forecast for global corn ending stock was also raised by 8 MMT to 213 MMT compared to last month and 6 MMT compared to last year.

Gulabbagh 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 0.69 USD/MT to 132.18 USD/MT for September contracts compared to last week as IGC raised its global corn production forecast.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(Sep 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 below 1546 for target 1522 and 1510 in the near term.

Strategy: Sell
Maize NCDEX (Sep)

Support & Resistance				
S2	S1	PCP	R1	R2
1460	1498	1537	1607	1677

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1700-1720 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	28-Jul-16	21-Jul-16	28-Jun-16	28-Jul-15	28-Jul-14
Gulabghagh	Bilty	1570	1530	1650	1250	1150
Delhi	Red	1625	1560	1700	1400	NA
Davangere	Bilty	1750	1750	1850	1500	1350
Shimoga	Bilty	NA	1900	1900	1380	1350
Ranebennur	Bilty	NA	1900	1860	NA	1400
Bagalkot	Hybrid/Local	NA	NA	NA	NA	NA
Gadag	Local	NA	NA	NA	NA	1252
Nizamabad	Bilty	1780	1785	1740	NA	NA
Khanna	Bilty	1650	1600	1660	1275	1260
Sangli	Bilty	1870	1860	1900	1577	1460
Ahmadabad	Feed	1750	1765	1800	1475	1405
	Starch	1775	1750	1800	1450	1380

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	27-Jul-16	20-Jul-16	Change
Corn CBOT Prices	Sep-16	132.18	132.87	-0.69
	Dec-16	135.03	135.53	-0.50
	Mar-17	138.48	139.07	-0.59
	May-17	140.54	141.33	-0.79
	July-17	142.51	143.30	-0.79

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