

Maize Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ AW- Maize Commodity Index
- ❖ Export Parity Trend
- ❖ Export Break Up By Major Countries
- ❖ Business from various sourcing centers during the season till date
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Futures Market Analysis: NCDEX MAIZE
- ❖ Davangere Market Analysis
- ❖ Annexure

EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded range bound during the week and is expected to trade range bound with weak bias in near term as stockiest are ready to sell their stock.

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.

Agriwatch expects maize sown area higher by 11% to 84.92 lakh hectares compared to corresponding period last year due to high corn prices amid favorable weather conditions. Kharif production could be around 17.3 MMT in 2016/17 year depending on weather conditions.

As per IBIS data, India exported 1982 MT maize during the week ended 31st July'16 against 3587 MT previous week ending 24th July'16. Maize has been exported at an average FoB of \$256.98 / MT. Indian maize is exported mainly to Nepal mainly through Raxul LCS.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 20 per quintal to Rs. 1730 per quintal. Starch feed makers quoted it down by Rs. 35 per quintal at Rs.1725 per quintal compared to last week.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for September contract near 1494 levels for a target of 1474 and 1464 with a stop loss at 1506 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 4.23 USD/MT to 127.95 USD/MT for September contracts compared to last week on the expectation of better crop outlook.

In U.S, 91% crop of corn is in the silking stage as on 31st July'16; higher by 4% from last year and 6% from last 5 year average period.

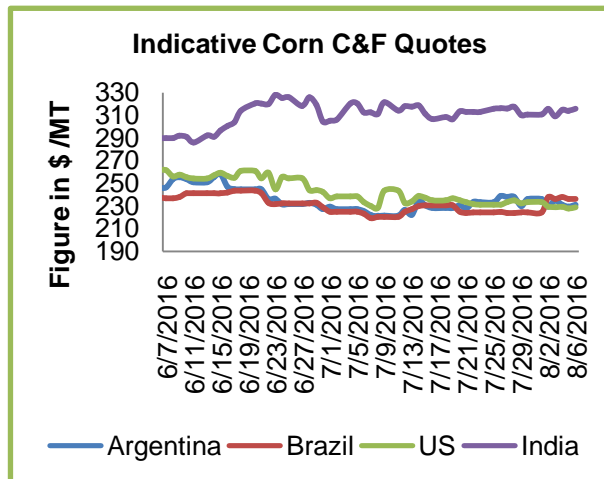
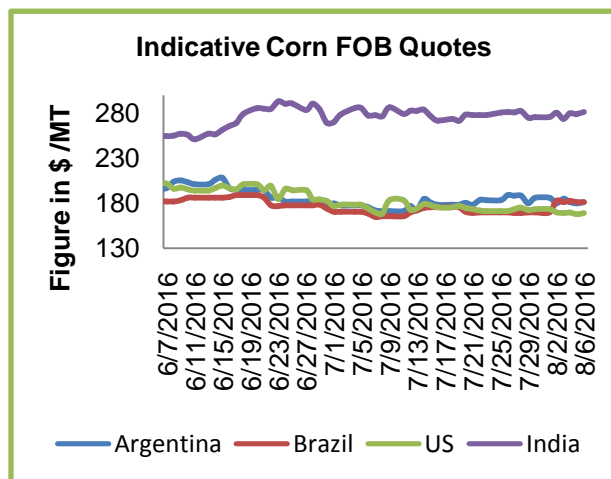
At 1.13 MMT (for the period 22nd July- 28th July, 2016) exports were down 18 percent from the previous week and 11 percent from the prior 4-week average.

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



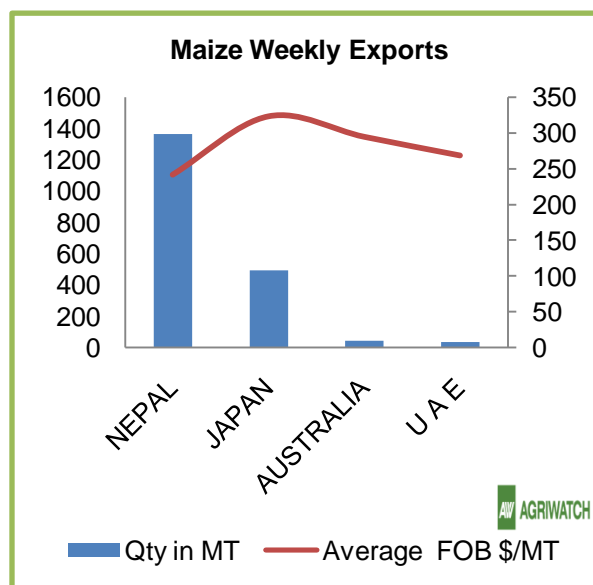
Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.84)

As on 30.07.2016	Argentina	Brazil	US	India
FOB	180.81	181.09	169.00	280.98
Cost and Freight (C&F)	230.81	236.09	229.00	315.98

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 1982 MT maize during the week ended 31st July'16 against 3587 MT previous week ending 24th July'16. Maize has been exported at an average FoB of \$256.98 / MT. Indian maize is exported mainly to Nepal followed by Japan mainly through Raxul LCS.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

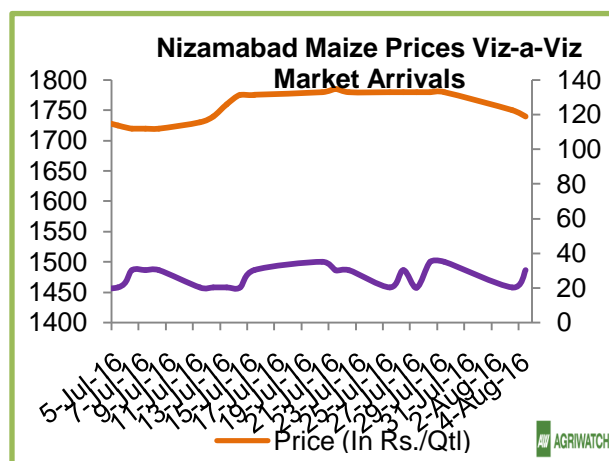
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	18500 (Davangere Origin)	N.A
Namakkal	18500 (Davangere Origin)	N.A
Chitradurga	18000 (Davangere Origin)	N.A
Sangli	18250 (Davangere Origin)	N.A
Chennai	18500 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

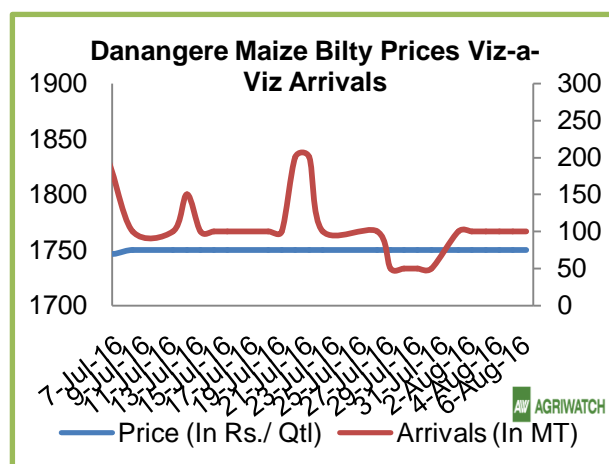
During the week under review, Steady with firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In A.P, maize is likely to trade steady to slightly weak 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 around 20% 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. Market is expected to trade steady to weak in the near term as stockiest are ready to sell their stock in the market. Area of maize is likely to increase around 15% due to shift from cotton, paddy, groundnut and sunflower.

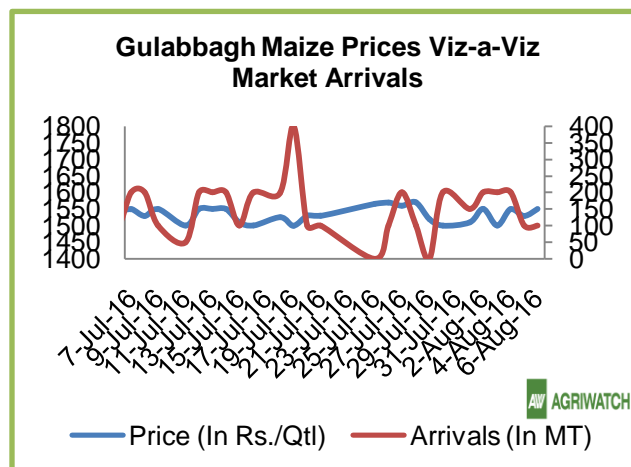


BIHAR:

In Bihar, maize is expected to trade steady to slightly weak in the near term.

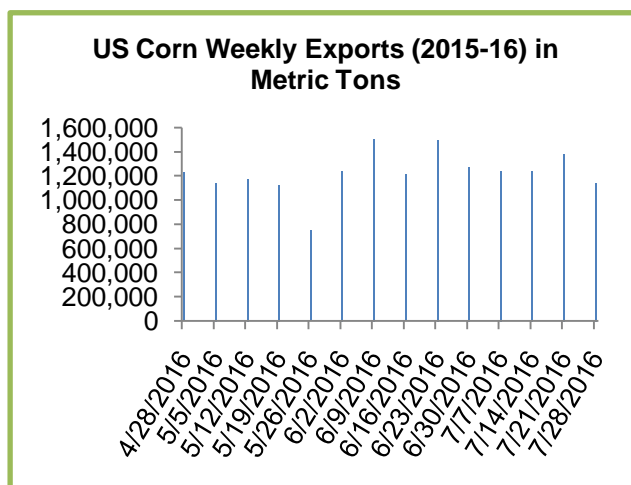
DOMESTIC MAIZE OUTLOOK:

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



INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 40.44 MMT in the 2016-17 marketing year. At 1.13 MMT (for the period 22nd July- 28th July, 2016) exports were down 18 percent from the previous week and 11 percent from the prior 4-week average. The primary destinations were Japan (356,400 MT), Mexico (140,400 MT), Vietnam (72,400 MT), Egypt (67,500 MT), Israel (66,000 MT), and South Korea (57,700 MT).
- In U.S, 91% crop of corn is in the silking stage as on 31st July'16; higher by 4% from last year and 6% from last 5 year average period. 30% crop of corn is in the dough stage; higher by 5% from last year and from last 5 year average period. 76% crop of corn is in good to excellent condition.
- South Korea's Korea Corn Processing Industry Association bought about 55,000 MT of yellow corn at \$198.90 per MT c&f including surcharge for additional port unloading; for the arrival around 30th November.



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 4.23 USD/MT to 127.95 USD/MT for September contracts compared to last week on the expectation of better crop outlook.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(Sep Contract Weekly Chart)

- Candlestick depicts down in the market.
- RSI is moving down in oversold zone.
- Prices closed below 9 and 18 days EMAs.
- Decrease in prices with higher OI indicates short build up.
- Strategy: Sell below 1494 for target 1474 and 1464 in the near term.

Strategy: Sell
Maize NCDEX (Sep)

Support & Resistance				
S2	S1	PCP	R1	R2
1407	1446	1490	1529	1568

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	4-Aug-16	28-Jul-16	4-Jul-16	4-Aug-15	4-Aug-14
Gulabghagh	Bilty	1550	1570	1575	1260	1120
Delhi	Red	1600	1625	1600	1400	NA
Davangere	Bilty	1750	1750	1800	1500	1350
Shimoga	Bilty	1862	1860	1890	NA	1350
Ranebennur	Bilty	NA	1750	NA	1485	1300
Bagalkot	Hybrid/Local	NA	NA	NA	NA	NA
Gadag	Local	1770	NA	NA	1462	1159
Nizamabad	Bilty	1740	1780	Closed	1400	NA
Khanna	Bilty	1625	1650	1650	1320	1270
Sangli	Bilty	1875	1870	1875	1554	1490
Ahmadabad	Feed	1770	1750	1730	1450	1380
	Starch	1780	1775	1775	1470	1355

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	3-Aug-16	27-Jul-16	Change
Corn CBOT Prices	Sep-16	127.95	132.18	-4.23
	Dec-16	131.88	135.03	-3.15
	Mar-17	135.82	138.48	-2.66
	May-17	138.48	140.54	-2.06
	July-17	140.94	142.51	-1.57

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>
 © 2016 Indian Agribusiness Systems Pvt. Ltd.