



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 and is expected to trade steady for a week amid regular feed makers demand.

In India, maize has been sown in around 79.45 lakh hectares as on 5th August'16 which is higher than 70.37 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 11.43 lakh hectare which is higher than 8.86 lakh hectare covered during corresponding period last year while in Maharashtra; it has been up by 1.82 lakh hectares to 8.66 lakh hectares. In M.P, it has been up by 1.32 lakh hectares to 12.14 lakh hectares.

Agriwatch expects increase in maize sown area 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.

India exported 1744 MT maize during the week ended 6th August'16 against 1982 MT previous week ending 31st July'16. Maize has been exported at an average FoB of \$259.29 / 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. 40 per quintal to Rs. 1770 per quintal. Starch feed makers quoted it down by Rs. 45 per quintal at Rs.1680 per quintal compared to last week.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for September contract near 1500 levels for a target of 1524 and 1536 with a stop loss at 1486 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1630-1650 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 0.99 USD/MT to 126.96 USD/MT for September contracts compared to last week on the expectation of better crop outlook.

In U.S, 97% crop of corn is in the silking stage as on 7th August'16; higher by 3% from last year and last 5 year average period. 53% crop of corn is in the dough stage; higher by 9% from last year and 11% from last 5 year average period.

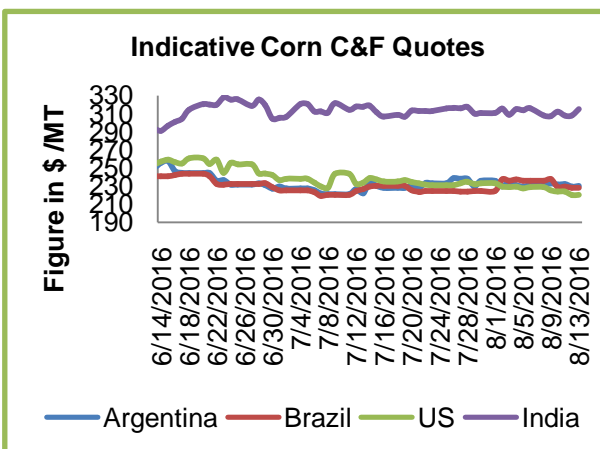
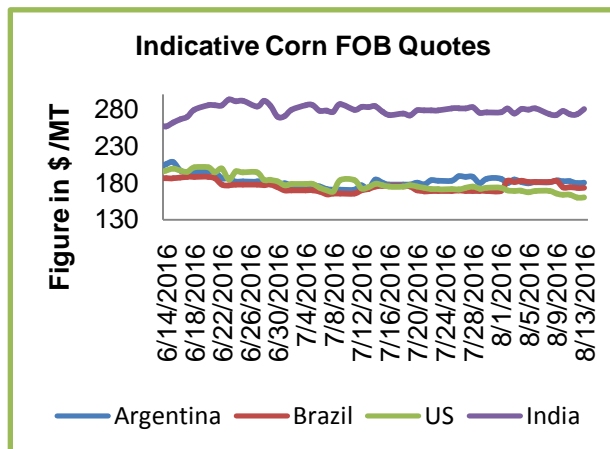
At 1.44 MMT (for the period 29th July- 4th August, 2016) exports were up 27 percent from the previous week and 16 percent from the prior 4-week average.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index down 0.66% during the week ended August 14, 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

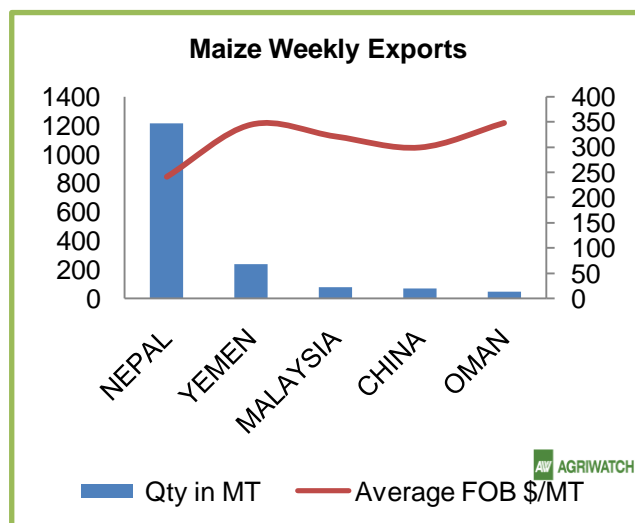


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.91)				
As on 13.08.2016	Argentina	Brazil	US	India
FOB	180.02	173.11	160.73	279.93
Cost and Freight (C&F)	230.02	228.11	220.73	314.93

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 1744 MT maize during the week ended 6th August'16 against 1982 MT previous week ending 31st July'16. Maize has been exported at an average FoB of \$259.29 / MT. Indian maize is exported mainly to Nepal mainly through Raxul LCS.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

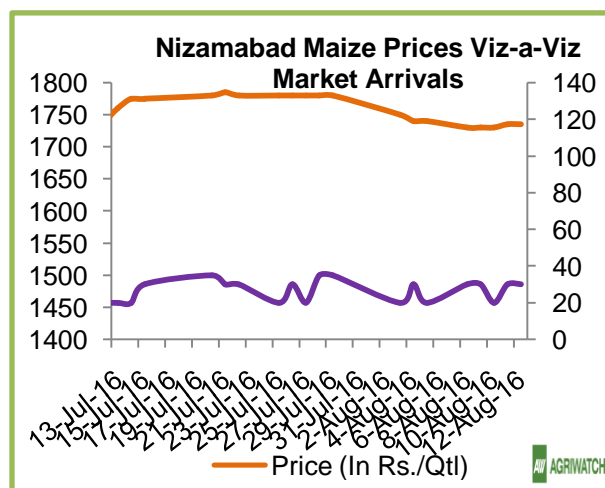
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	18000 (Davangere Origin)	N.A
Namakkal	18200 (Davangere Origin)	N.A
Chitradurga	17500 (Davangere Origin)	N.A
Sangli	18000 (Davangere Origin)	N.A
Chennai	18200 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

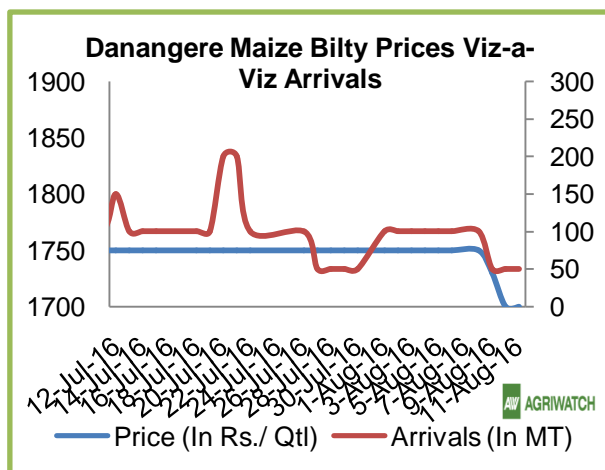
During the week under review, steady to weak sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

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. New crop is expected after 12-15 days.


KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangali and Chennai at Rs. 1800 per quintal, 1820 per quintal, 1750 per quintal, Rs. 1800 per quintal, and Rs. 1820 per quintal respectively. Market is expected to trade steady for the week despite sluggish demand. Prices will go down further if rainfall occurs during the week. Area of maize is likely to increase around 15% due to shift from cotton, paddy, groundnut and sunflower.



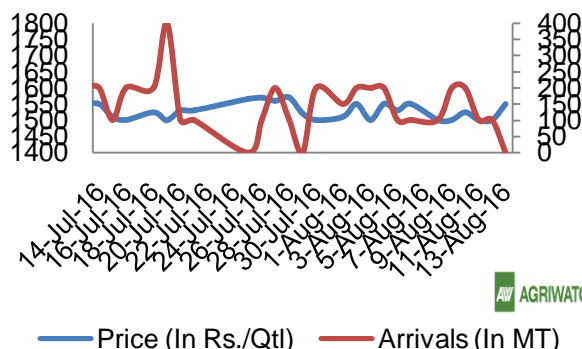
BIHAR:

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 steady for the week.

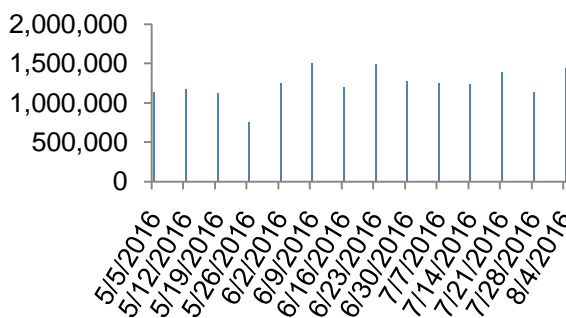
Gulabgagh Maize Prices Viz-a-Viz Market Arrivals



INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 41.88 MMT in the 2016-17 marketing year. At 1.44 MMT (for the period 29th July- 4th August, 2016) exports were up 27 percent from the previous week and 16 percent from the prior 4-week average. The primary destinations were Mexico (254,900 MT), Japan (198,100 MT), South Korea (196,300 MT), Saudi Arabia (137,800 MT), Egypt (122,200 MT), and Colombia (118,000 MT).
- In U.S, 97% crop of corn is in the silking stage as on 7th August'16; higher by 3% from last year and last 5 year average period. 53% crop of corn is in the dough stage; higher by 9% from last year and 11% from last 5 year average period. 9% crop of corn has dented; higher by 1% from last year but below 3% from last 5 year average period. 74% crop of corn is in good to excellent condition.

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



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 0.99 USD/MT to 126.96 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 firmness in the market.
- RSI is moving up in neutral zone.
- Prices closed below 9 and 18 days EMAs.
- Increase in prices with higher OI indicates long build up.
- Strategy: Buy above 1500 for target 1524 and 1536 in the near term.

Strategy: Buy
Maize NCDEX (Sep)

Support & Resistance				
S2	S1	PCP	R1	R2
1470	1485	1501	1542	1582

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1630-1650 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	11-Aug-16	4-Aug-16	11-Jul-16	11-Aug-15	11-Aug-14
Gulabghagh	Bilty	1500	1550	1500	1300	1100
Delhi	Red	1600	1600	1600	1400	NA
Davangere	Bilty	1700	1750	1750	1500	1330
Shimoga	Bilty	1875	1862	1900	1400	NA
Ranebennur	Bilty	1820	1760	1860	1485	NA
Bagalkot	Hybrid/Local	NA	NA	NA	NA	NA
Gadag	Local	1798	1770	NA	NA	NA
Nizamabad	Bilty	1735	1740	1730	1400	NA
Khanna	Bilty	1600	1625	1620	1305	1250
Sangli	Bilty	1800	1875	1860	1566	1490
Ahmadabad	Feed	1735	1770	1760	1460	1400
	Starch	1750	1780	1750	1500	1350



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	10-Aug-16	3-Aug-16	Change
Corn CBOT Prices	Sep-16	126.96	127.95	-0.99
	Dec-16	131.10	131.88	-0.78
	Mar-17	135.13	135.82	-0.69
	May-17	137.79	138.48	-0.69
	July-17	140.35	140.94	-0.59

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