



# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to slightly weak during the week and is expected to trade range bound for a week amid regular feed makers demand.

In India, maize has been sown in around 82.22 lakh hectares as on 19<sup>th</sup> August'16 which is higher than 72.74 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 12.18 lakh hectare which is higher than 9.07 lakh hectare covered during corresponding period last year while in Maharashtra; it has been up by 1.85 lakh hectares to 9.09 lakh hectares. In M.P, it has been up by 1.7 lakh hectares to 12.59 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 6<sup>th</sup> August'16 against 1982 MT previous week ending 31<sup>st</sup> 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 steady at Rs. 1770 per quintal. Starch feed makers quoted it firm by Rs. 60 per quintal at Rs.1740 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 1516 and 1524 with a stop loss at 1492 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1600-1650 per quintal for the week.

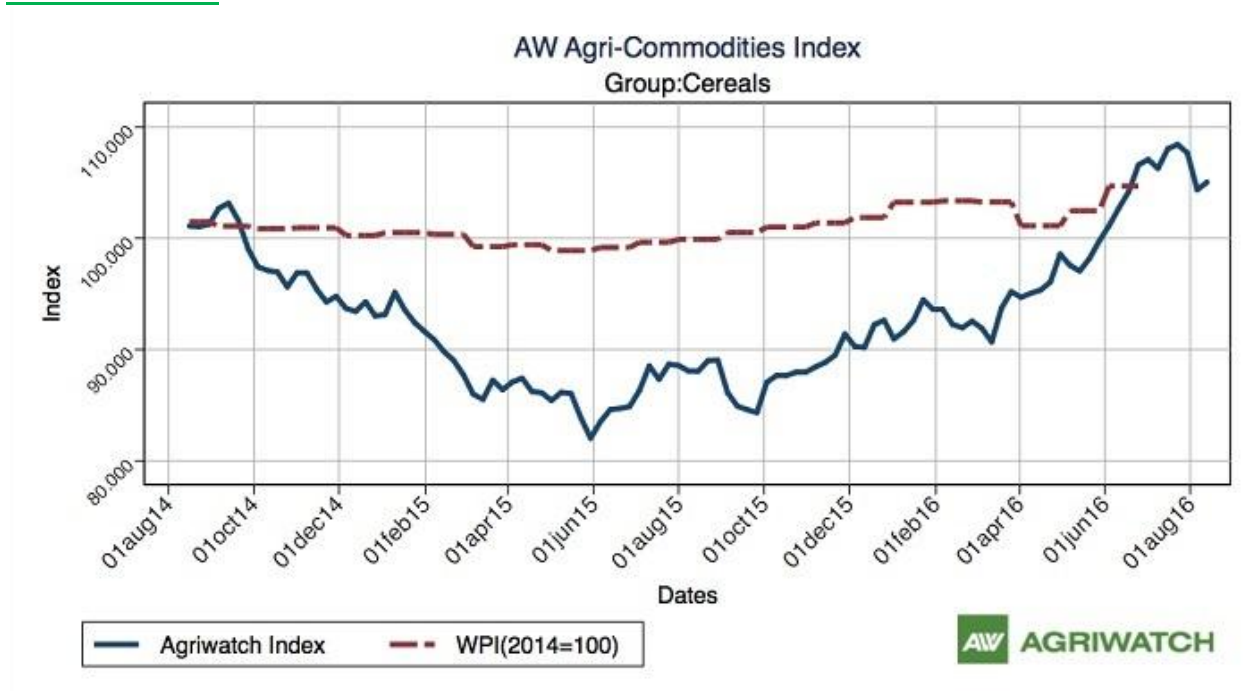
### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 3.74 USD/MT to 130.70 USD/MT for September contracts compared to last week due to short covering.

In U.S, 73% crop of corn is in the dough stage as on 14<sup>th</sup> August'16; higher by 20% from the last week and 13% from last 5 year average period.

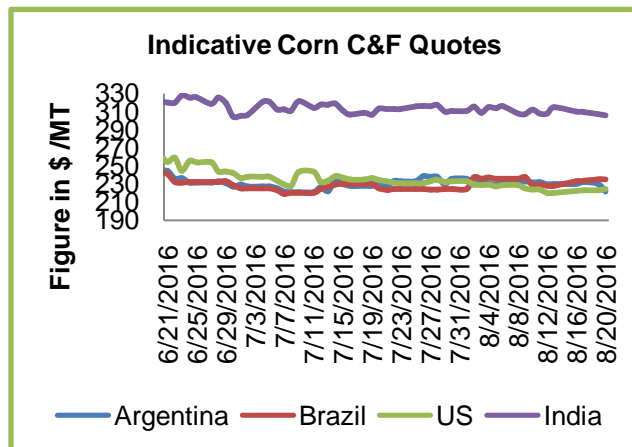
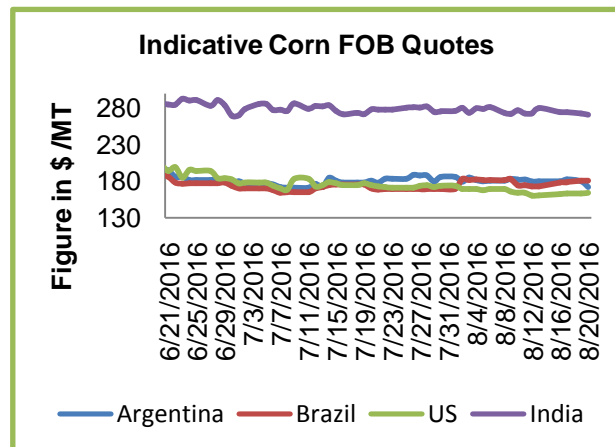
At 1.44 MMT (for the period 5<sup>th</sup> August- 11<sup>th</sup> August, 2016) U.S corn exports were down 19 percent from the previous week and 10 percent from the prior 4-week average.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index down 0.66% during the week ended August 13, 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

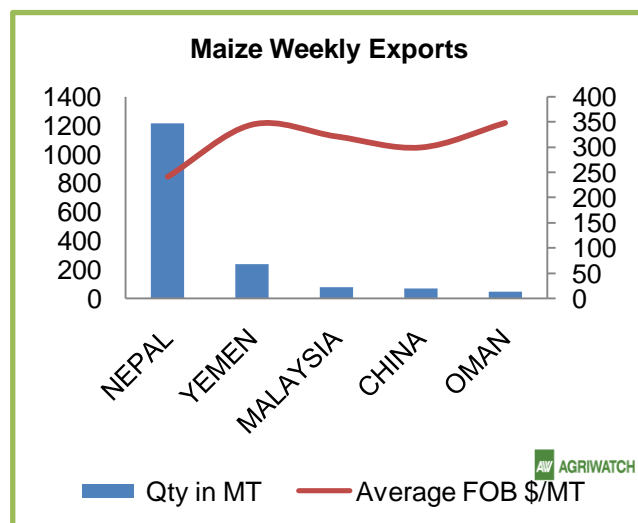


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.14)				
As on 20.08.2016	Argentina	Brazil	US	India
FOB	171.95	180.33	164.34	270.70
Cost and Freight (C&F)	221.95	235.33	224.34	305.70

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 6<sup>th</sup> August'16 against 1982 MT previous week ending 31<sup>st</sup> 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:

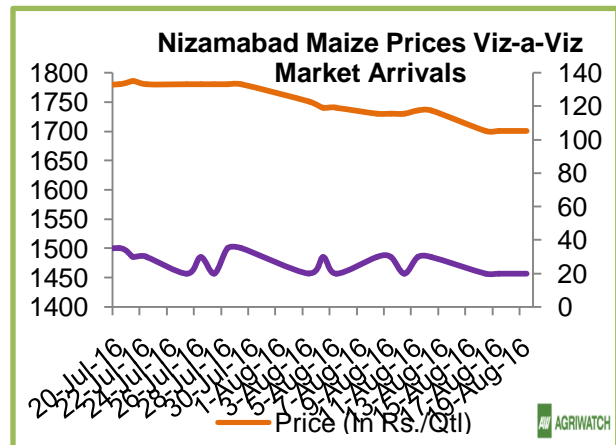
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	17500 (Davangere Origin)	N.A
<b>Namakkal</b>	17800 (Davangere Origin)	N.A
<b>Chitradurga</b>	17000 (Davangere Origin)	N.A
<b>Sangli</b>	17500 (Davangere Origin)	N.A
<b>Chennai</b>	17600 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

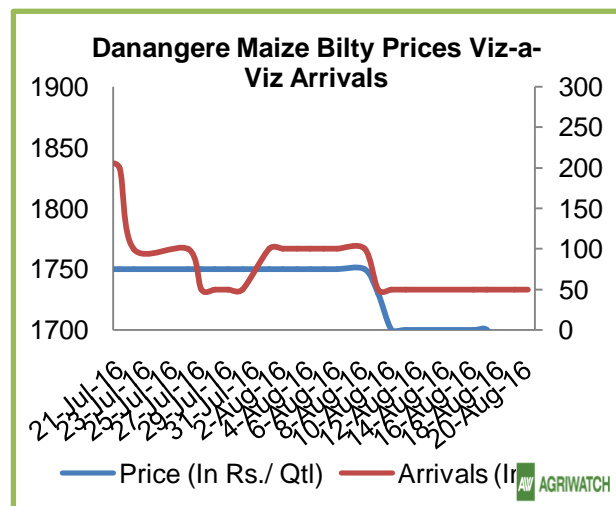
During the week under review, steady to slightly weak sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

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. Maize crop is in good condition and is expected to arrive in the first week of September.

KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangali and Chennai at Rs. 1750 per quintal, 1780 per quintal, 1700 per quintal, Rs. 1750 per quintal, and Rs. 1760 per quintal respectively. Market is expected to trade steady to slightly firm for the week if rainfall does not occurs during the week.



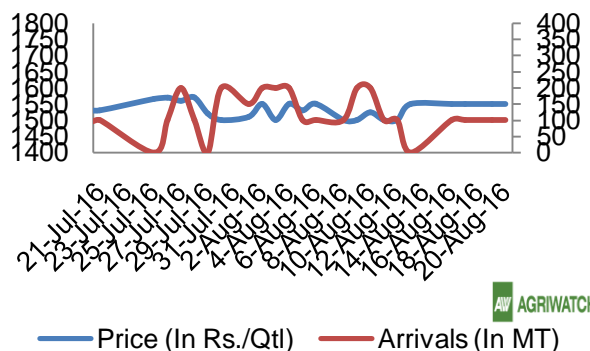
## BIHAR:

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

## DOMESTIC MAIZE OUTLOOK:

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

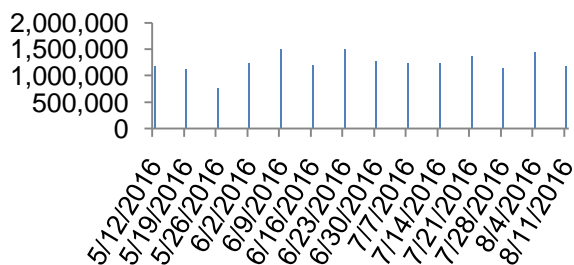
**Gulabgh Maize Prices Viz-a-Viz Market Arrivals**



## INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 43.05 MMT in the 2016-17 marketing year. At 1.44 MMT (for the period 5<sup>th</sup> August- 11<sup>th</sup> August, 2016) exports were down 19 percent from the previous week and 10 percent from the prior 4-week average. The primary destinations were Japan (306,800 MT), Mexico (194,900 MT), Taiwan (144,500 MT), Peru (143,500 MT), and South Korea (96,400 MT).
- In U.S, 73% crop of corn is in the dough stage as on 14<sup>th</sup> August'16; higher by 20% from the last week and 13% from last 5 year average period. 21% crop of corn has dented; higher by 12% from the last week but same from last 5 year average period. 74% crop of corn is in good to excellent condition.
- Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 46.6% in the June'16 from 45.4% during the same month last year as users' reliance on sorghum decreased.

**US Corn Weekly Exports (2016-17) in Metric Tons**



## INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 3.74 USD/MT to 130.70 USD/MT for September contracts compared to last week due to short covering.

**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 near 1500 for target 1516 and 1524 in the near term.

**Strategy: Buy**
**Maize NCDEX (Sep)**

Support & Resistance				
S2	S1	PCP	R1	R2
1471	1488	1505	1526	1547

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1600-1650 per quintal for the week.

### ANNEXURE

#### MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	19-Aug-16	12-Aug-16	19-Jul-16	19-Aug-15	19-Aug-14
Gulabbagh	Bilty	1500	1500	1500	1390	1110
Delhi	Red	1575	1600	1560	1450	NA
Davangere	Bilty	1670	Closed	1750	1500	1350
Shimoga	Bilty	1765	1860	1900	NA	1350
Ranebennur	Bilty	1710	1750	1750	NA	1265
Bagalkot	Hybrid/Local	NA	1679	NA	NA	NA
Gadag	Local	NA	NA	1697	NA	1109
Nizamabad	Bilty	1700	1735	Closed	1475	NA
Khanna	Bilty	1620	1620	1600	1320	1225
Sangli	Bilty	1790	1800	1860	1592	1480
Ahmadabad	Feed	1750	1750	1740	1550	1380
	Starch	1775	1725	1725	1550	1310



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	18-Aug-16	11-Aug-16	Change
Corn CBOT Prices	Sep-16	130.70	126.96	3.74
	Dec-16	134.64	131.10	3.54
	Mar-17	138.48	135.13	3.35
	May-17	141.23	137.79	3.44
	July-17	143.89	140.35	3.54

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