

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 firm during the week due to unfavorable weather conditions in Karnataka' maize growing regions and is expected to trade steady to slightly firm for a week amid regular feed makers demand.

In India, maize has been sown in around 82.86 lakh hectares as on 26th August'16 which is higher than 73.95 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 12.40 lakh hectare which is higher than 9.76 lakh hectare covered during corresponding period last year while in Maharashtra; it has been up by 1.78 lakh hectares to 9.09 lakh hectares. In M.P, it has been up by 1.65 lakh hectares to 12.63 lakh hectares. In A.P, maize has been sown in 0.78 lakh hectare which is higher than 0.60 lakh hectare covered during corresponding period last year. Area of maize is higher than last year due to shift from soybean. It is reported that traces of Steam boarer and Shoot borer diseases attacks in Ananthapuram, and Srikakulam. In Telangana, it has been sown in 5.74 lakh hectare which is higher than 3.96 lakh hectare covered during corresponding period last year. It is reported that traces of steam boarer disease attacks in Nizamabad, Karimnagar and Mahboobnagar districts. In some regions of M.P and U.P, flood water may affect crops.

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. Kharif production could be around 17.3 MMT in 2016/17 year depending on weather conditions.

India exported 2286 MT maize during the week ended 14th August'16 against 1744 MT previous week ending 6th August'16.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize steady at Rs. 1770 per quintal. Starch feed makers quoted it firm by Rs. 10 per quintal at Rs.1750 per quintal compared to last week.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for September contract near 1494 levels for a target of 1514 and 1524 with a stop loss at 1482 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1750-1800 per quintal for the week.

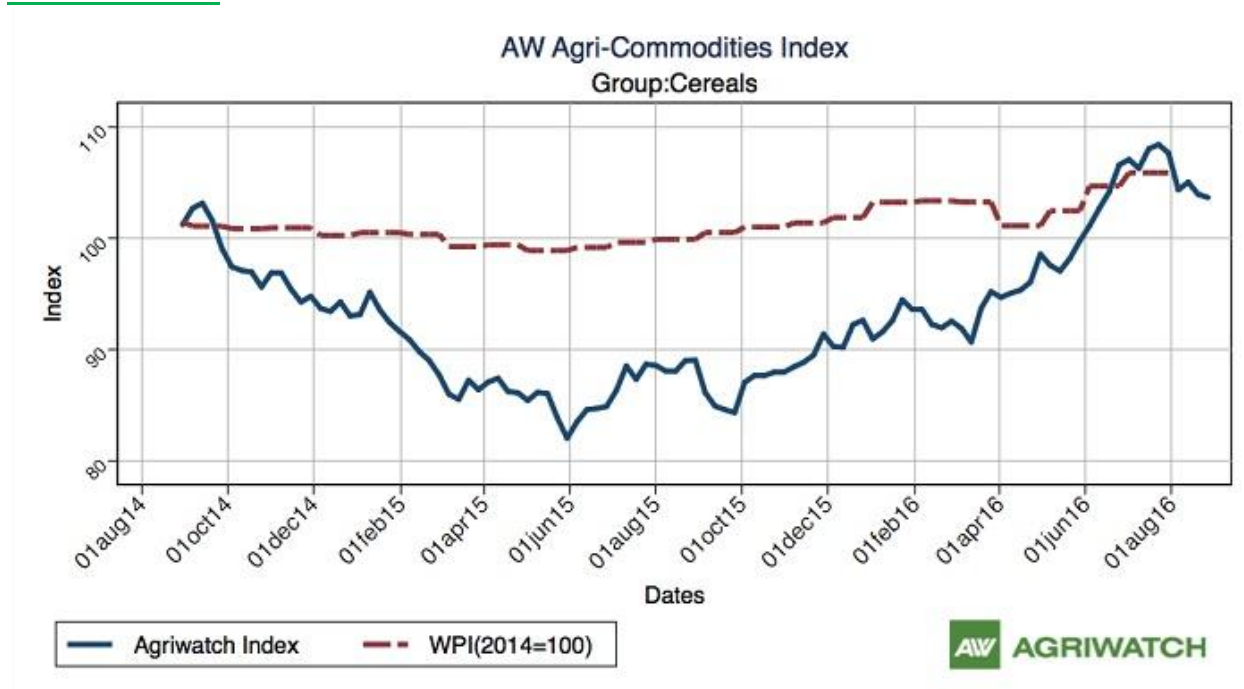
INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 3.34 USD/MT to 127.36 USD/MT for September contracts compared to last week as IGC raised its forecast for the 2016/17 global corn production by 13 MMT to 1030 MMT compared to last month' projection.

U.S corn exports reached 44.09 MMT in the 2016-17 marketing year. At 1.04 MMT (for the period 12th August- 18th August, 2016) exports were down 10 percent from the previous week and 18 percent from the prior 4-week average.

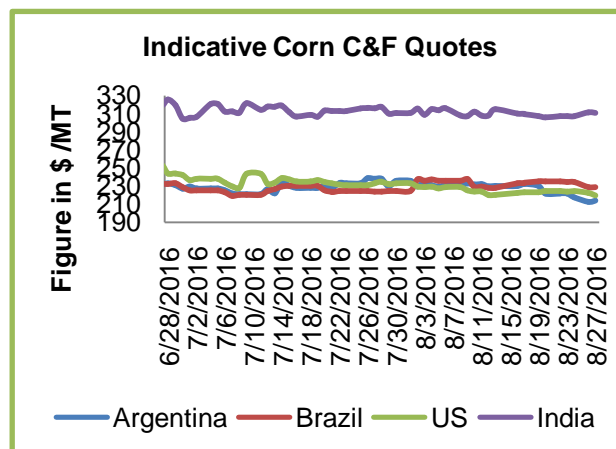
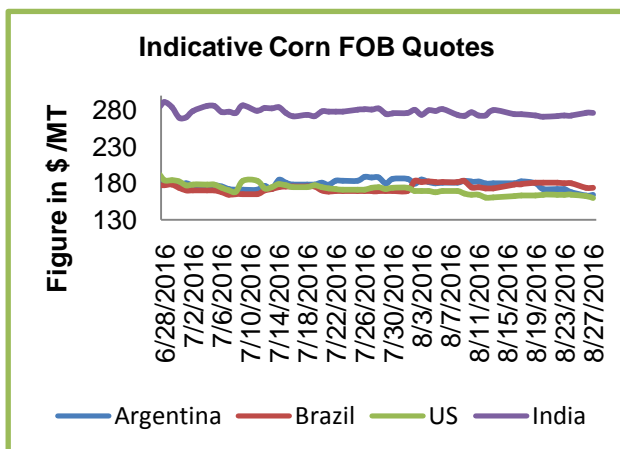
In U.S, 75% crop of corn is in good to excellent condition.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index down 0.28% during the week ended August 27, 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

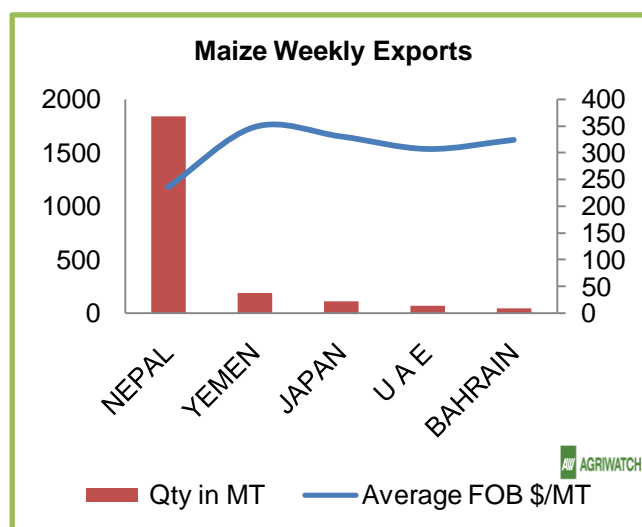


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.14)				
As on 27.08.2016	Argentina	Brazil	US	India
FOB	163.88	174.05	159.54	275.96
Cost and Freight (C&F)	213.88	229.05	219.54	310.96

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.

EXPORT BREAK UP BY MAJOR COUNTRIES

- As per IBIS data, India exported 2286 MT maize during the week ended 14th August'16 against 1744 MT previous week ending 6th August'16. Maize has been exported at an average FoB of \$247.58 / MT. Indian maize is exported mainly to Nepal mainly through Raxul LCS.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

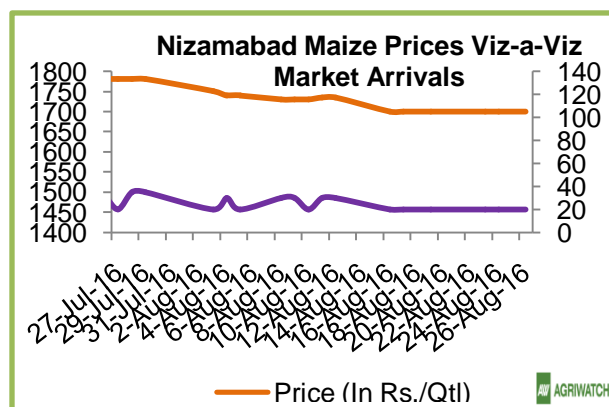
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	18800 (Davangere Origin)	N.A
Namakkal	19000 (Davangere Origin)	N.A
Chitradurga	18500 (Davangere Origin)	N.A
Sangli	18500 (Davangere Origin)	N.A
Chennai	19000 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

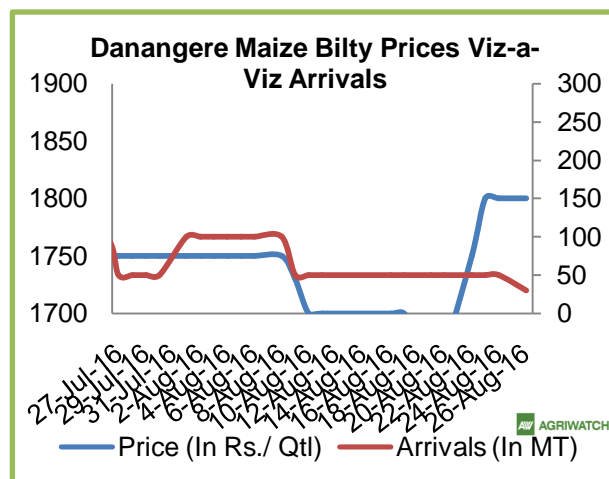
During the week under review, overall firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In A.P, maize is likely to trade steady in the near term. In Nizamabad; stock of maize could be around 2000 MT which was 5000 MT last year. Maize crop is in good condition and is expected to arrive in the month of September.


KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1880 per quintal, 1900 per quintal, 1850 per quintal, Rs. 1850 per quintal, and Rs. 1900 per quintal respectively. As per trade sources, yield is badly affected due to low rainfall in the maize growing regions. Market is expected to trade firm further if rainfall does not occur during the week.



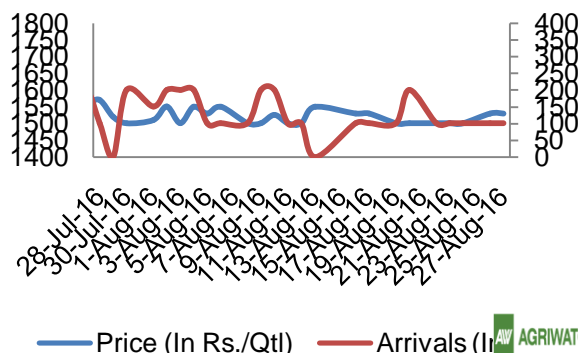
BIHAR:

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 steady to firm for the week.

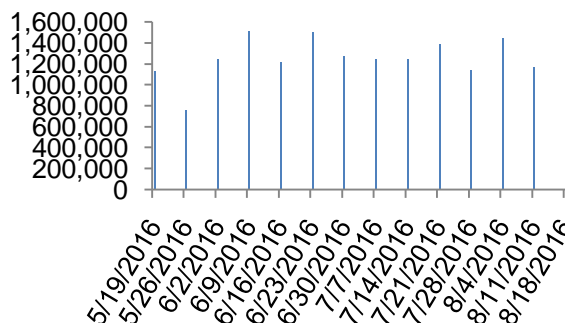
Gulabgh Maize Prices Viz-a-Viz Market Arrivals



INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 44.09 MMT in the 2016-17 marketing year. At 1.04 MMT (for the period 12th August- 18th August, 2016) exports were down 10 percent from the previous week and 18 percent from the prior 4-week average. The primary destinations were Japan (359,000 MT), Mexico (121,400 MT), Colombia (88,400 MT), Taiwan (72,200 MT), and South Korea (68,100 MT).
- In U.S, 85% crop of corn is in the dough stage as on 21st August'16; higher by 4% from the last year and 9% from last 5 year average period. 40% crop of corn has dented; higher by 6% from the last year and 5% from last 5 year average period. 75% crop of corn is in good to excellent condition.
- The IGC raised its forecast for the 2016/17 global corn production by 13 MMT to 1030 MMT compared to last month' projection mainly due to sustained improvement in U.S crop. Forecast for global corn ending stock was also raised by 5 MMT to 218 MMT compared to last month and 11 MMT compared to last year.

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



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 3.34 USD/MT to 127.36 USD/MT for September contracts compared to last week as IGC raised its forecast for the 2016/17 global corn production by 13 MMT to 1030 MMT compared to last month' projection.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(Sep Contract Weekly Chart)

- Candlestick depicts range bound movement in the market.
- RSI is moving in neutral zone.
- Prices closed below 9 and 18 days EMAs.
- Decrease in prices with lower OI indicates long liquidation.
- Strategy: Buy near 1494 for target 1514 and 1524 in the near term.

Strategy: Buy
Maize NCDEX (Sep)

Support & Resistance				
S2	S1	PCP	R1	R2
1421	1459	1497	1526	1555

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1750-1800 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	26-Aug-16	19-Aug-16	26-Jul-16	26-Aug-15	26-Aug-14
Gulabbagh	Bilty	1530	1500	1570	1420	1110
Delhi	Red	1600	1575	1625	1450	NA
Davangere	Bilty	1800	1670	1750	1500	1330
Shimoga	Bilty	NA	1765	1880	1460	NA
Ranebennur	Bilty	1720	1710	1780	NA	1400
Bagalkot	Hybrid/Local	NA	NA	1817	NA	NA
Gadag	Local	1589	1566	NA	1109	NA
Nizamabad	Bilty	1700	1700	1780	1530	NA
Khanna	Bilty	1625	1620	1640	1360	1220
Sangli	Bilty	1870	1790	1870	1668	1480
Ahmadabad	Feed	1770	1750	1800	NA	1380
	Starch	1750	1775	1775	NA	1340

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	25-Aug-16	18-Aug-16	Change
Corn CBOT Prices	Sep-16	127.36	130.70	-3.34
	Dec-16	130.70	134.64	-3.94
	Mar-17	134.64	138.48	-3.84
	May-17	137.40	141.23	-3.83
	July-17	140.05	143.89	-3.84

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