



# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded mixed during the week and is expected to trade steady to slightly firm for a week due to unfavorable weather conditions in some growing regions of Karnataka.

In India, maize has been sown in around 83.22 lakh hectares as on 2<sup>nd</sup> September'16 which is higher than 74.61 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 12.53 lakh hectare which is higher than 10.07 lakh hectare covered during corresponding period last year while in Maharashtra; it has been up by 1.80 lakh hectares to 9.19 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 0.61 lakh hectare covered during corresponding period last year. Area of maize is higher than last year due to shift from soybean. Maize crop is at vegetative to flowering and cob formation stage. It is reported that traces of Steam borer and Shoot borer diseases attacks in Vizianagaram and Ananthapuram. In Telangana, it has been sown in 5.80 lakh hectare which is higher than 4.09 lakh hectare covered during corresponding period last year. Maize Crop is at knee high to grain filling stage. It is reported that traces of steam borer disease attacks in Nizamabad, and Warangal districts.

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 1839 MT maize during the week ended 28<sup>th</sup> August'16. Maize has been exported at an average FoB of \$246.31 / MT.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 20 per quintal to Rs. 1750 per quintal. Starch feed makers quoted it down by Rs. 10 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 above 1530 levels for a target of 1554 and 1566 with a stop loss at 1516 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1750-1780 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

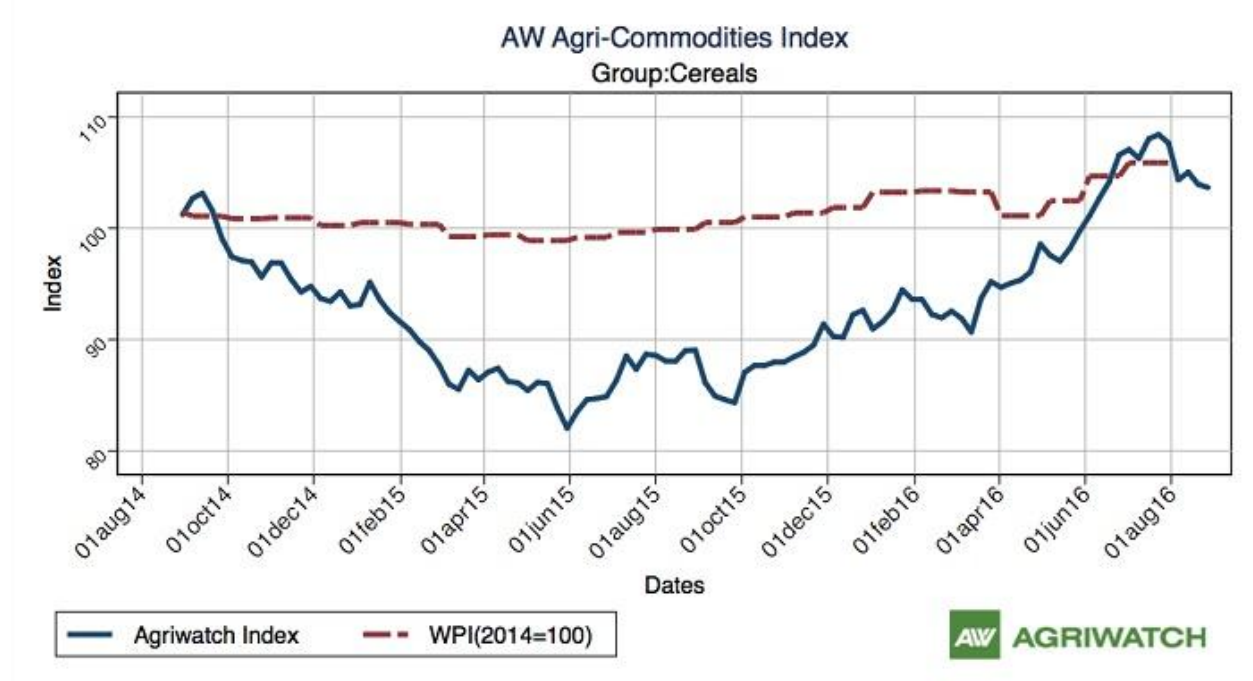
Corn prices on CBOT fall by 8.66 USD/MT to 118.70 USD/MT for September contracts compared to last week on the expectation of higher corn production in U.S.

At 1.46 MMT (for the period 19<sup>th</sup> August- 25<sup>th</sup> August, 2016) corn exports were up 40 percent from the previous week and 22 percent from the prior 4-week average.

In U.S, 92% crop of corn is in the dough stage as on 28<sup>th</sup> August'16; higher by 2% from the last year and 5% from last 5 year average period.

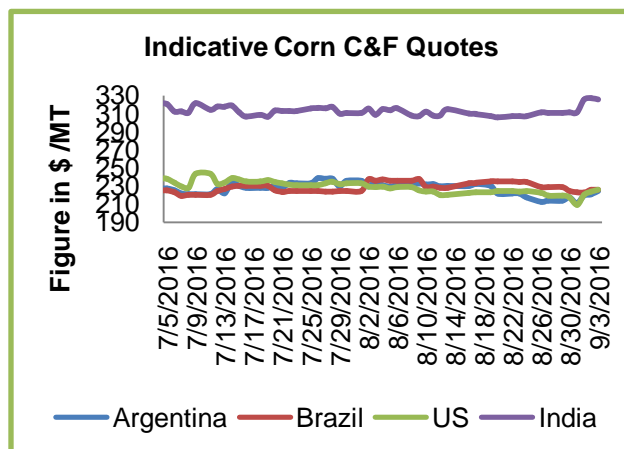
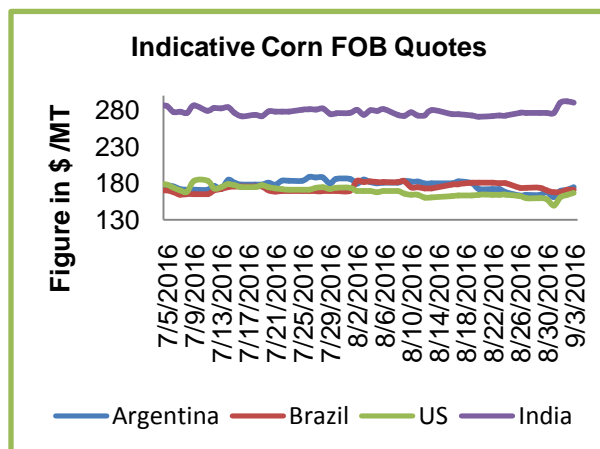


### AW MAIZE INDEX:



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

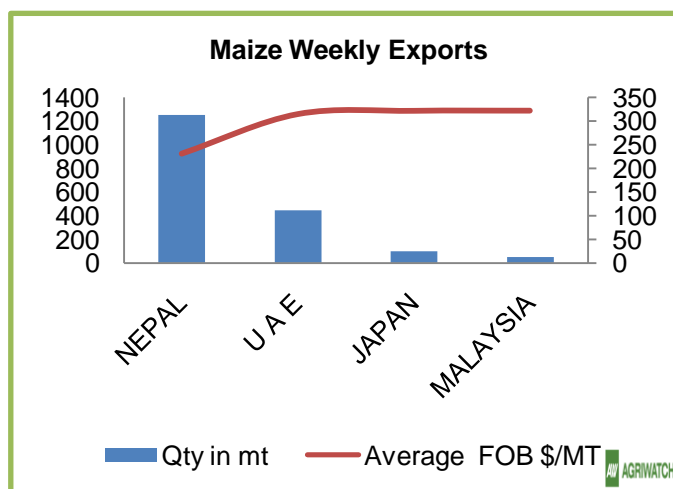


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.57)				
As on 3.09.2016	Argentina	Brazil	US	India
FOB	174.61	170.85	166.32	290.46
Cost and Freight (C&F)	224.61	225.85	226.32	325.46

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 1839 MT maize during the week ended 28<sup>th</sup> August'16. Maize has been exported at an average FoB of \$246.31 / MT. Indian maize is exported mainly to Nepal mainly through Raxul LCS.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

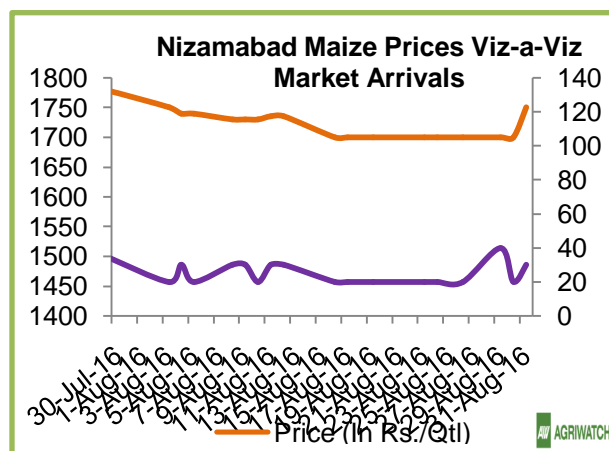
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	18800 (Davangere Origin)	N.A
<b>Namakkal</b>	19000 (Davangere Origin)	N.A
<b>Chitradurga</b>	18500 (Davangere Origin)	N.A
<b>Sangli</b>	18500 (Davangere Origin)	N.A
<b>Chennai</b>	19000 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

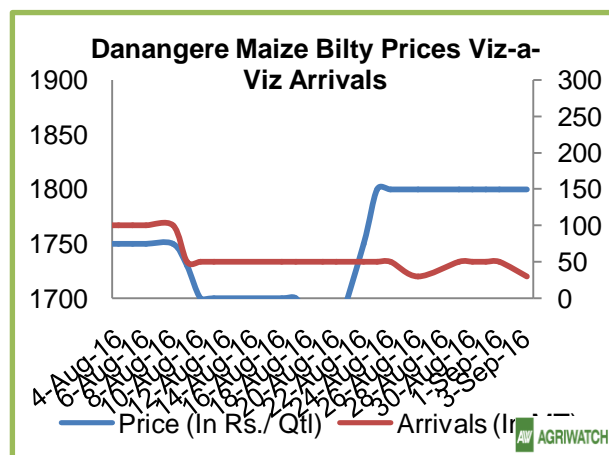
During the week under review, mixed sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

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.


KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangali and Chennai at Rs. 1880 per quintal, 1900 per quintal, 1850 per quintal, Rs. 1850 per quintal, and Rs. 1900 per quintal respectively. Maize is likely to trade firm due to unfavorable weather conditions.



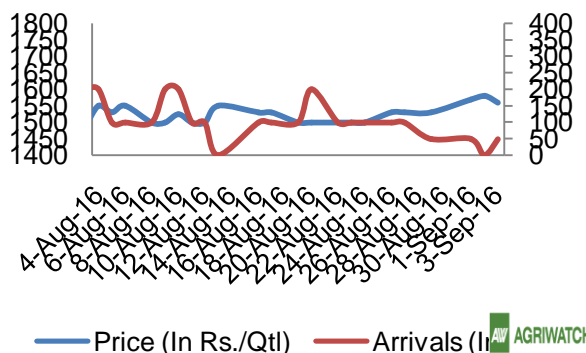
## BIHAR:

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 slightly firm for the week.

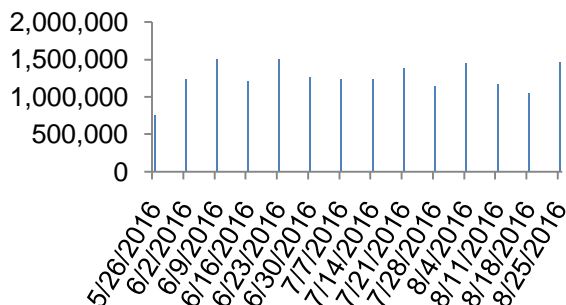
**Gulababagh Maize Prices Viz-a-Viz Market Arrivals**



## INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 45.56 MMT in the 2016-17 marketing year. At 1.46 MMT (for the period 19<sup>th</sup> August- 25<sup>th</sup> August, 2016) exports were up 40 percent from the previous week and 22 percent from the prior 4-week average. The primary destinations were Mexico (270,500 MT), Japan (249,200 MT), Taiwan (160,600 MT), South Korea (131,200 MT), and Algeria (122,700 MT).
- In U.S, 92% crop of corn is in the dough stage as on 28<sup>th</sup> August'16; higher by 2% from the last year and 5% from last 5 year average period. 60% crop of corn has dented; higher by 6% from the last year and 8% from last 5 year average period. 75% crop of corn is in good to excellent condition.

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



## INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 8.66 USD/MT to 118.70 USD/MT for September contracts compared to last week on the expectation of higher corn production in U.S.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(Sep Contract Weekly Chart)**

- Candlestick depicts firmness in the market.
- RSI is moving up in neutral zone.
- Prices closed above 9 and 18 days EMAs.
- Increase in prices with lower volume and OI indicates to weak market.
- Strategy: Buy above 1530 for target 1554 and 1566 in the near term.

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

Support & Resistance				
S2	S1	PCP	R1	R2
1446	1495	1545	1571	1598

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1750-1780 per quintal for the week.

### ANNEXURE

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

Market	Grade	1-Sep-16	26-Aug-16	1-Aug-16	1-Sep-15	1-Sep-14
Gulabghagh	Bilty	1570	1530	1510	1420	1110
Delhi	Red	1550	1600	1625	NA	NA
Davangere	Bilty	1800	1800	1750	1600	1300
Shimoga	Bilty	NA	1750	1861	NA	NA
Ranebennur	Bilty	1850	1720	1754	1570	NA
Bagalkot	Hybrid/Local	NA	NA	1800	NA	NA
Gadag	Local	NA	1589	NA	NA	1129
Nizamabad	Bilty	Closed	1700	Closed	1550	NA
Khanna	Bilty	1580	1625	1650	1420	1250
Sangli	Bilty	1900	1870	1870	1688	1480
Ahmadabad	Feed	1730	1770	1750	1610	1390
	Starch	1690	1750	1775	1625	1340



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	31-Aug-16	25-Aug-16	Change
Corn CBOT Prices	Sep-16	118.70	127.36	-8.66
	Dec-16	124.21	130.70	-6.49
	Mar-17	128.34	134.64	-6.30
	May-17	131.29	137.40	-6.11
	July-17	134.34	140.05	-5.71

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