

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 ahead due to high poultry feed makers demand. Rainfall in Telangana and Karnataka region also support to sentiments.

In India, maize has been sown in around 83.89 lakh hectares as on 23rd September'16 which is higher than 76.73 lakh hectare covered during corresponding period last year. In Karnataka, it has been sown in 12.83 lakh hectare which is higher than 10.54 lakh hectare covered during corresponding period last year while in Maharashtra; it has been up by 1.54 lakh hectares to 9.21 lakh hectares. In M.P, it has been up by 1.65 lakh hectares to 12.63 lakh hectares. However, in Rajasthan, it has been down by 0.48 lakh hectares to 9.32 lakh hectares. In A.P, maize has been sown in 0.82 lakh hectare which is higher than 0.68 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 grain hardening stage. It is reported that traces of Shoot borer diseases attacks in Ananthapuram district. In Telangana, it has been sown in 5.85 lakh hectare which is higher than 4.22 lakh hectare covered during corresponding period last year. Maize Crop is at cob formation to harvesting stage. It is reported that traces of stem borer, blight and helicoverpa attacks in Nizamabad, Warangal and Karimnagar districts.

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

India exported 821 MT maize during the week ended 18th September'16 against 726 MT previous week ending 11th September'16.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 40 per quintal to Rs. 1680 per quintal. Starch feed makers quoted it down by Rs. 20 per quintal at Rs.1650 per quintal compared to last week.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for October contract near 1560 levels for a target of 1584 and 1596 with a stop loss at 1546 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1800 per quintal for the week.

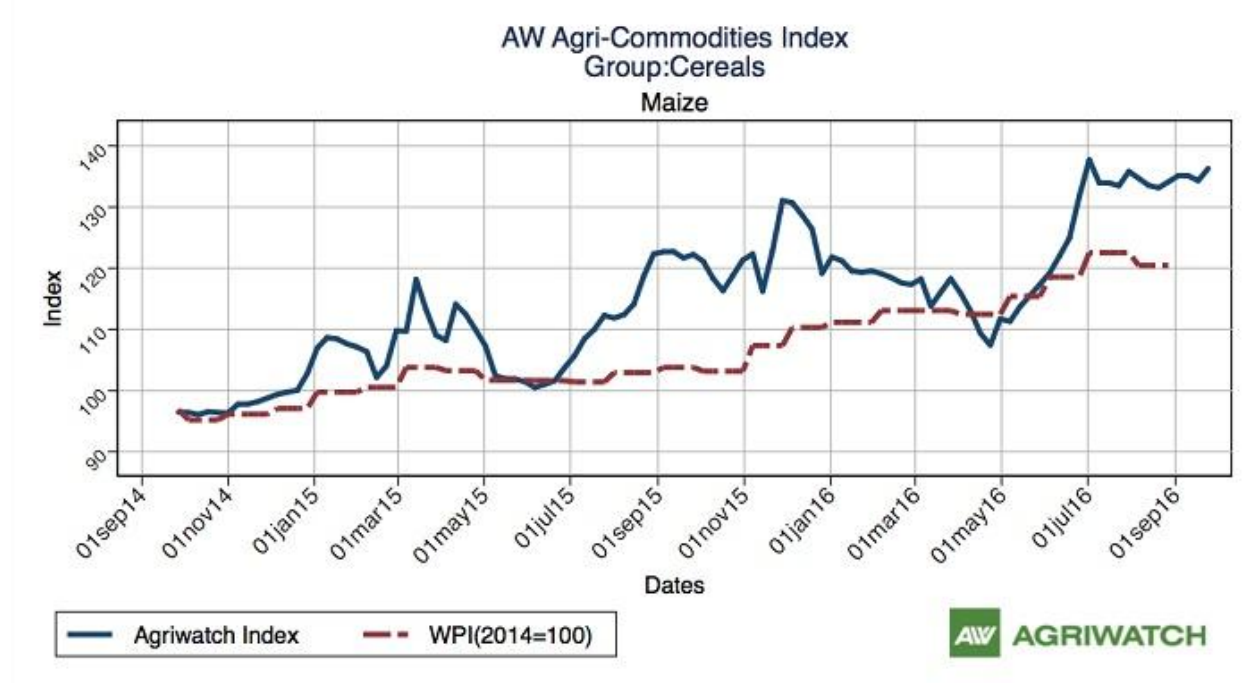
INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 3.25 USD/MT to 133.85 USD/MT for September contracts compared to last week.

At 1.35 MMT (for the period 9th September- 15th September, 2016) exports were reported to Japan (296,300 MT), South Korea (264,700 MT), Mexico (249,700 MT), Peru (125,100 MT), Taiwan (79,900 MT), Chile (61,900 MT), and Bangladesh (59,000 MT).

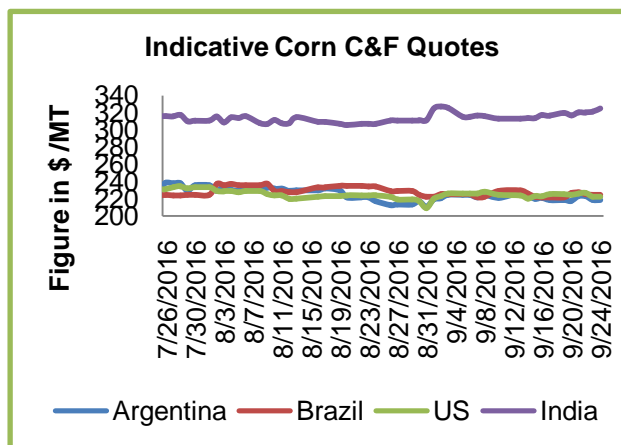
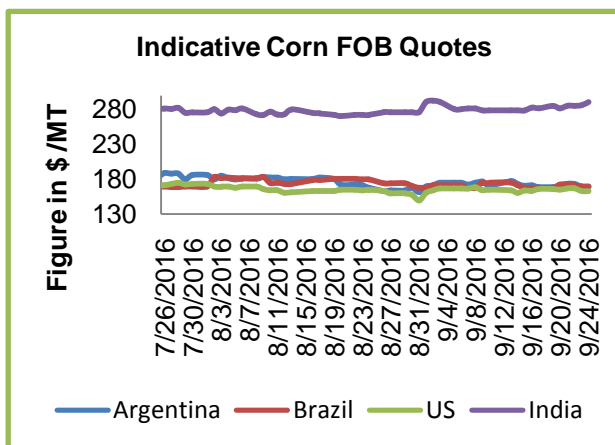
In U.S, 9% crop of corn has been harvested as on 18th September'16; same from the last year but

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index gained 0.07% during the week ended September 24, 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

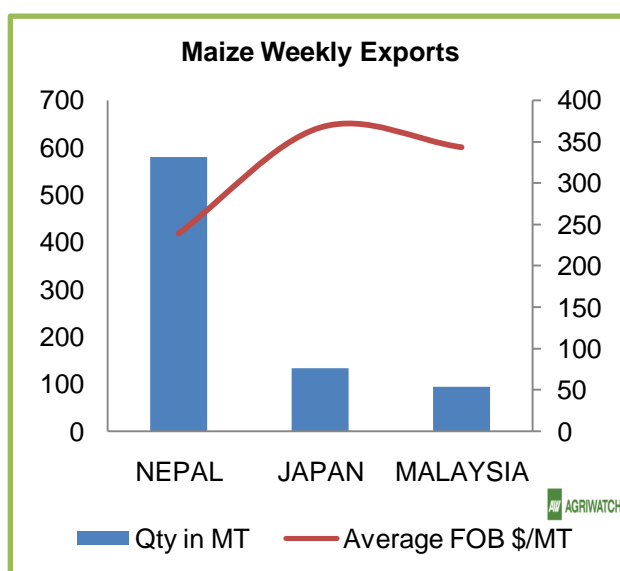


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.71)				
As on 24.09.2016	Argentina	Brazil	US	India
FOB	169.09	169.65	162.80	290.31
Cost and Freight (C&F)	219.09	224.65	222.80	325.31

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 821 MT maize during the week ended 18th September'16 against 726 MT previous week ending 11th September'16. Maize has been exported at an average FoB of \$260.26 / MT. Indian maize is exported mainly to Nepal mainly through Raxul LCS.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

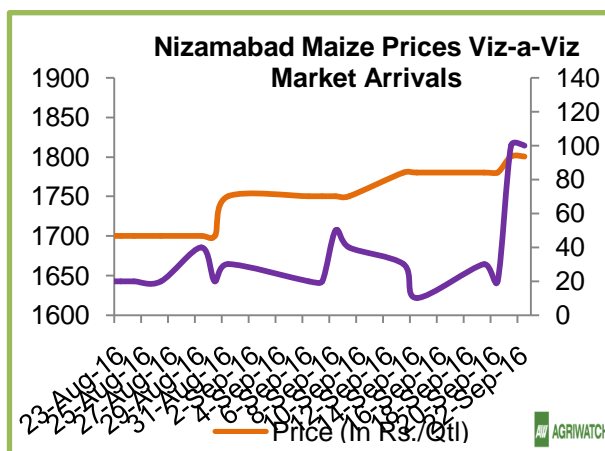
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	19200 (Davangere Origin)	N.A
Namakkal	19700 (Davangere Origin)	N.A
Chitradurga	18750 (Davangere Origin)	N.A
Sangli	18500 (Davangere Origin)	N.A
Chennai	19700 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

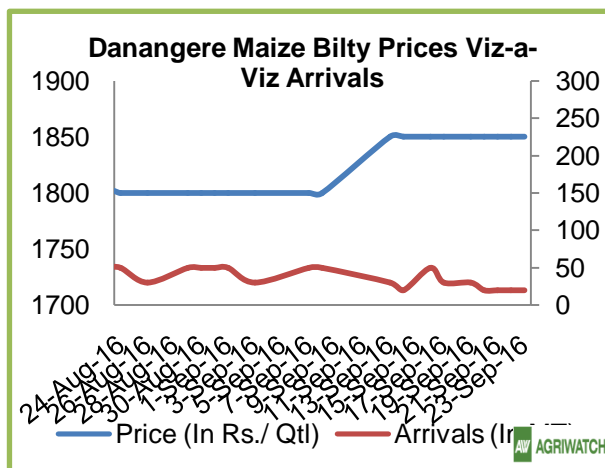
During the week under review, mixed sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In A.P, maize is likely to trade steady in the near term. In Nizamabad; stock of maize is almost nil which was 5000 MT last year. Maize crop is in good condition and is expected to arrive in market soon. It is likely to trade firm amid high poultry feed makers demand.

KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangali and Chennai at Rs. 1920 per quintal, 1970 per quintal, 1875 per quintal, Rs. 1850 per quintal, and Rs. 1970 per quintal respectively. Maize is likely to trade steady in the near term. New crop is expected around mid of October.



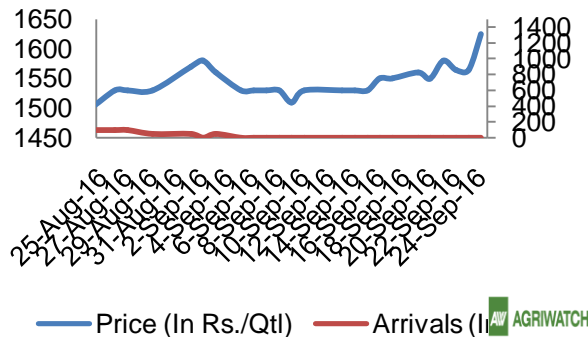
BIHAR:

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

DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade steady to slightly firm for the week.

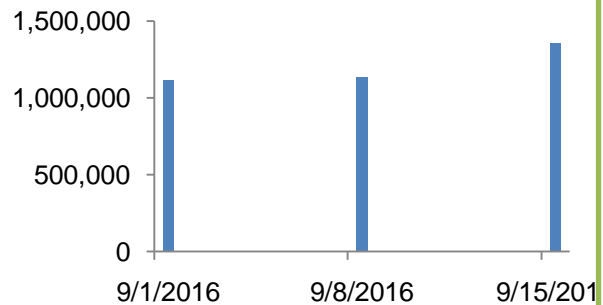
Gulabghat Maize Prices Viz-a-Viz Market Arrivals



INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 2.78 MMT in the 2016-17 marketing year. At 1.35 MMT (for the period 9th September- 15th September, 2016) exports were reported to Japan (296,300 MT), South Korea (264,700 MT), Mexico (249,700 MT), Peru (125,100 MT), Taiwan (79,900 MT), Chile (61,900 MT), and Bangladesh (59,000 MT).
- In U.S, 9% crop of corn has been harvested as on 18th September'16; same from the last year but lower by 3% from last 5 year average period. 93% crop of corn has dented; higher by 1% from the last year and 2% from last 5 year average period. 74% 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 rose by 3.25 USD/MT to 133.85 USD/MT for September contracts compared to last week.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(October Contract Weekly Chart)

- Candlestick depicts firmness in the market.
- RSI is moving up in overbought zone.
- Prices closed above 9 and 18 days EMAs.
- Increase in prices with higher volume and OI indicates long build up.
- Strategy: Buy near 1560 for target 1584 and 1596 in the near term.

Strategy: Buy
Maize NCDEX (October)

Support & Resistance				
S2	S1	PCP	R1	R2
1472	1513	1554	1600	1641

DAVANGERE MARKET ANALYSIS: MAIZE



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

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	22-Sep-16	15-Sep-16	22-Aug-16	22-Sep-15	22-Sep-14
Gulabbagh	Bilty	1565	1530	1500	1430	1115
Delhi	Red	1525	1500	1575	NA	NA
Davangere	Bilty	1800	1850	1750	1500	1270
Shimoga	Bilty	1750	1750	1765	1460	1280
Ranebennur	Bilty	1800	1825	1730	1465	NA
Bagalkot	Hybrid/Local	1719	1842	NA	1491	NA
Gadag	Local	1760	1404	1465	NA	NA
Nizamabad	Bilty	1800	Closed	Closed	1570	NA
Khanna	Bilty	1640	1550	1600	1425	1230
Sangli	Bilty	1920	1905	Closed	1599	1300
Ahmadabad	Feed	1680	1720	1750	1600	1340
	Starch	1650	1670	1715	1625	1300

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	21-Sep-16	14-Sep-16	Change
Corn CBOT Prices	Dec-16	133.85	130.60	3.25
	Mar-17	137.79	134.84	2.95
	May-17	140.54	137.79	2.75
	July-17	143.20	140.35	2.85
	Sep-17	145.66	NA	-

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