



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to firm during the week and is expected to trade steady to slightly weak on the expectation of new crop arrival pressure.

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

India exported 1082 MT maize during the week ended 25th September'16 against 821 MT previous week ending 18th September'16. Maize has been exported at an average FoB of \$261.96 / MT. Indian maize is exported mainly to Nepal followed by Japan through Raxul LCS and Mundra Sea.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 20 per quintal to Rs. 1700 per quintal. Starch feed makers quoted it firm by Rs. 50 per quintal at Rs.1700 per quintal compared to last week.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for November contract near 1450 levels for a target of 1464 and 1471 with a stop loss at 1443 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1850-1880 per quintal for the week.

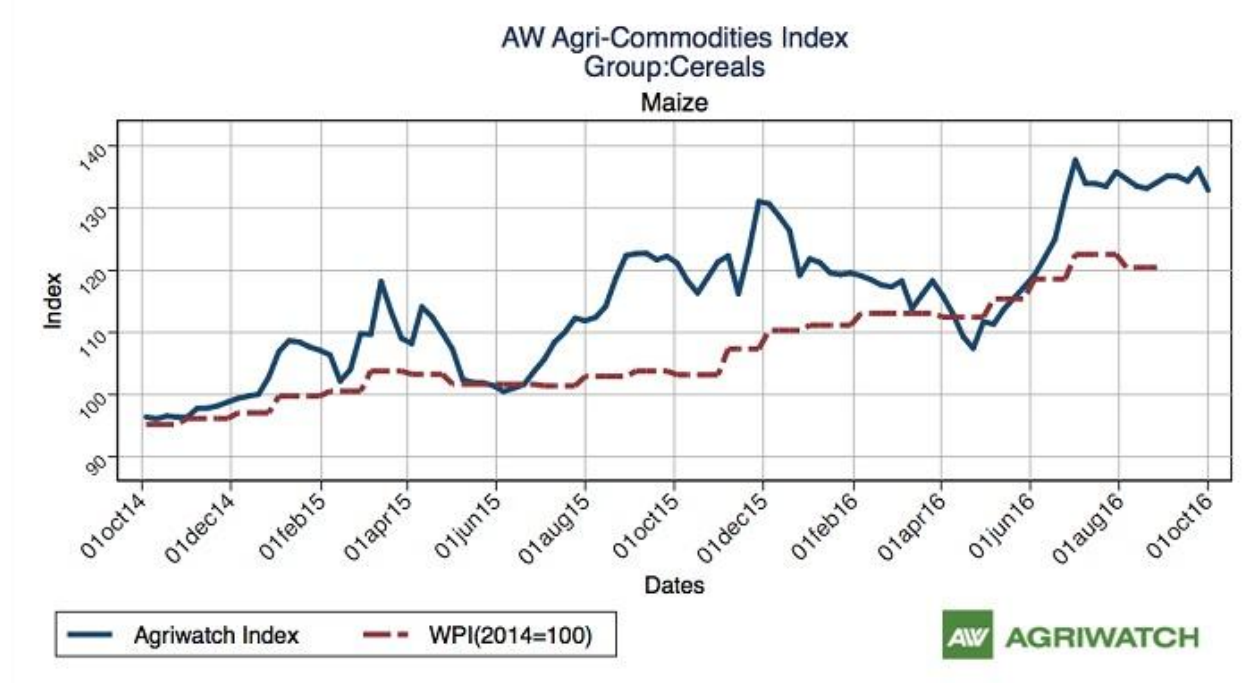
INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 2.76 USD/MT to 129.62 USD/MT for December contracts compared to last week as IGC cut its forecast for the 2016/17 global corn production by 3 MMT to 1027 MMT compared to last month' projection.

At 1.26 MMT (for the period 16th September- 22nd September, 2016) exports were reported to Mexico (366,500 MT), Japan (283,400 MT), Colombia (139,400 MT), South Korea (127,400 MT), Peru (64,900 MT), Morocco (51,100 MT), and Bangladesh (43,900 MT).

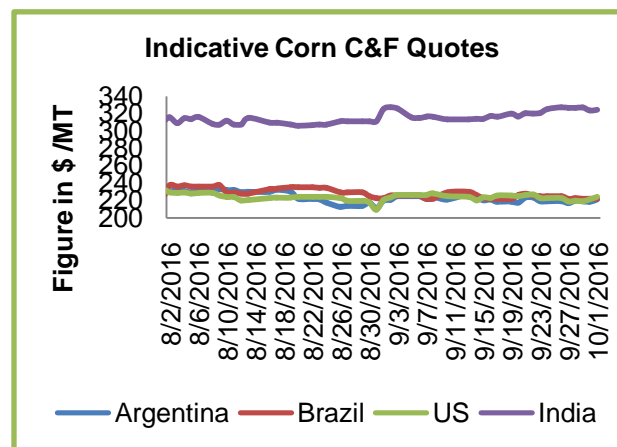
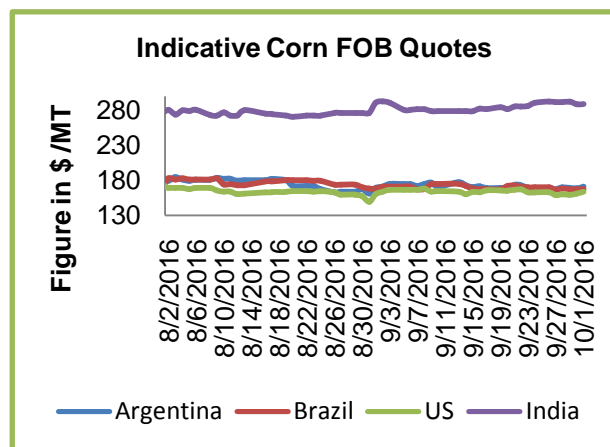
In U.S, 15% of corn crop has been harvested as on 25th September'16; lower by 1% the last year and 4% from last 5 year average period.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index down 1.34% during the week ended October 1, 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

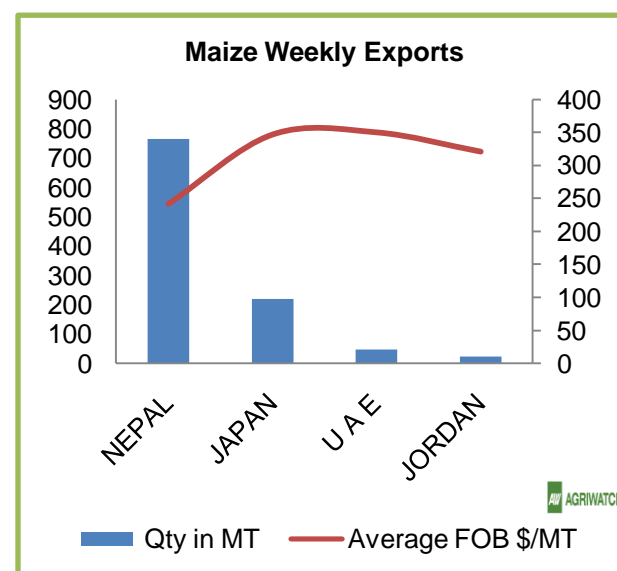


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.55)				
As on 10.01.2016	Argentina	Brazil	US	India
FOB	170.96	166.90	164.09	289.03
Cost and Freight (C&F)	220.96	221.90	224.09	324.03

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 1082 MT maize during the week ended 25th September'16 against 821 MT previous week ending 18th September'16. Maize has been exported at an average FoB of \$261.96 / MT. Indian maize is exported mainly to Nepal followed by Japan through Raxul LCS and Mundra Sea.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

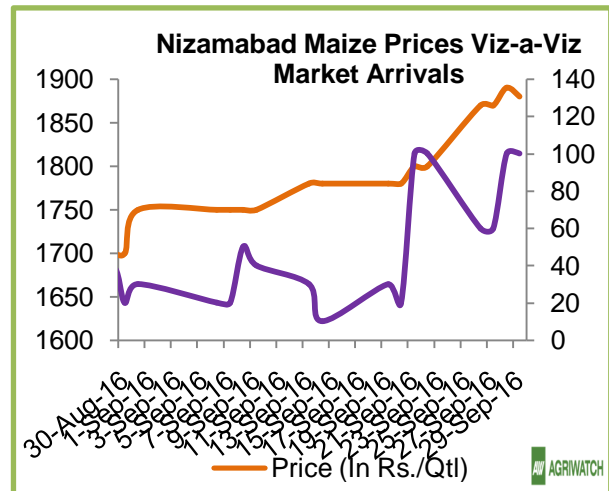
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	19200 (Davangere Origin)	N.A
Namakkal	19700 (Davangere Origin)	N.A
Chitradurga	18750 (Davangere Origin)	N.A
Sangli	18500 (Davangere Origin)	N.A
Chennai	19700 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

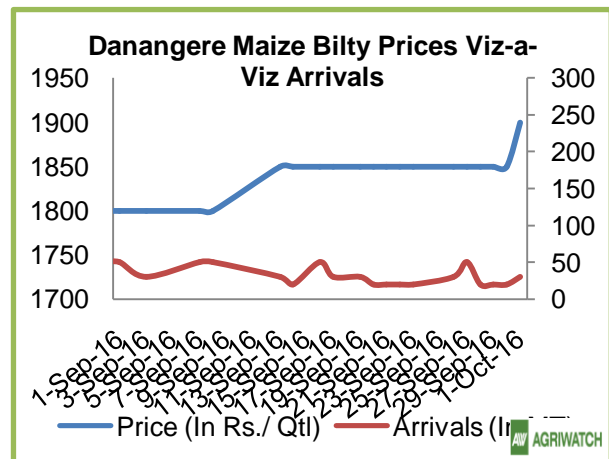
During the week under review, steady to firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In Nizamabad, maize is likely to trade weak in the near term as new crop has started now and contains 15-20% moisture level. 10% of crop arrival is damaged also.

KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangli 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.



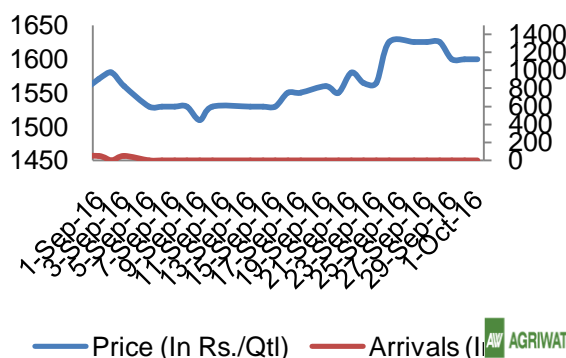
BIHAR:

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 weak for the week.

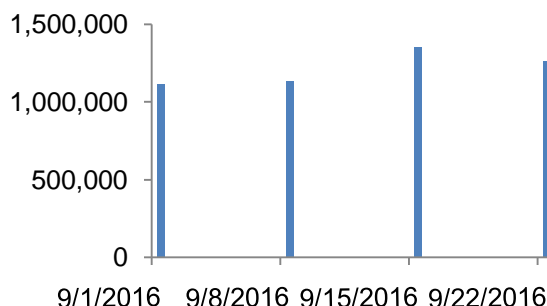
Gulabghat Maize Prices Viz-a-Viz Market Arrivals



INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 4.04 MMT in the 2016-17 marketing year. At 1.26 MMT (for the period 16th September- 22nd September, 2016) exports were reported to Mexico (366,500 MT), Japan (283,400 MT), Colombia (139,400 MT), South Korea (127,400 MT), Peru (64,900 MT), Morocco (51,100 MT), and Bangladesh (43,900 MT).
- In U.S, 15% of corn crop has been harvested as on 25th September'16; lower by 1% the last year and 4% from last 5 year average period. 97% crop of corn has dented; higher by 1% from the last year and 5 year average period. 74% crop of corn is in good to excellent condition.
- The IGC cut its forecast for the 2016/17 global corn production by 3 MMT to 1027 MMT compared to last month' projection as dry weather has affected crop prospects in the EU and China. However, Global corn production is higher than last year' estimate by 57 MMT. Forecast for global corn ending stock was also cut by 2 MMT to 216 MMT compared to last month.

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



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 2.76 USD/MT to 129.62 USD/MT for December contracts compared to last week as IGC cut its forecast for the 2016/17 global corn production by 3 MMT to 1027 MMT compared to last month' projection.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(November Contract Weekly Chart)

- Candlestick depicts firmness in the market.
- RSI is moving up in overbought zone.
- Prices closed above 9 and 18 days EMAs.
- Strategy: Buy near 1450 for target 1464 and 1471 in the near term.

Strategy: Buy
Maize NCDEX (November)

Support & Resistance				
S2	S1	PCP	R1	R2
1383	1416	1450	1488	1522

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1850-1880 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	29-Sep-16	22-Sep-16	29-Aug-16	29-Sep-15	29-Sep-14
Gulabbagh	Bilty	1600	1565	1530	1430	1120
Delhi	Red	1550	1525	1550	NA	NA
Davangere	Bilty	1850	1850	1800	1450	1200
Shimoga	Bilty	NA	1850	NA	NA	NA
Ranebennur	Bilty	NA	1800	1800	NA	1180
Bagalkot	Hybrid/Local	1650	1725	NA	1409	NA
Gadag	Local	1611	NA	NA	NA	NA
Nizamabad	Bilty	1880	1800	1700	1550	1200
Khanna	Bilty	1610	1640	1630	1480	1250
Sangli	Bilty	1923	1920	1900	1603	1250
Ahmadabad	Feed	1700	1680	1780	1590	1320
	Starch	1650	1650	1750	1600	1320

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	28-Sep-16	21-Sep-16	Change
Corn CBOT Prices	Dec-16	129.62	126.86	2.76
	Mar-17	133.46	130.60	2.86
	May-17	136.31	134.84	1.47
	July-17	139.07	137.79	1.28
	Sep-17	141.82	140.35	1.47

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