



# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to weak during the week as new crop arrivals has started now and is expected to trade weak ahead on the expectation of new crop arrival pressure.

Agriwatch expects kharif production to be around 17.6 MMT in 2016/17 year. Quality of grain has been affected by recent rains in M.P, A.P and Maharashtra regions. New crop arrival contains high moisture level at this time.

India exported 1080 MT maize during the week ended 2<sup>nd</sup> October'16 against 1082 MT previous week ending 25<sup>th</sup> September'16. Maize has been exported at an average FoB of \$ 254.43 / MT. Indian maize is exported mainly to Nepal through Raxul LCS.

In Ahmadabad region of Gujarat, poultry and starch feed makers quoted maize steady at Rs.1700 per quintal compared to last week.

### RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for November contract near 1374 levels for a target of 1358 and 1350 with a stop loss at 1383 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1530-1550 per quintal for the week.

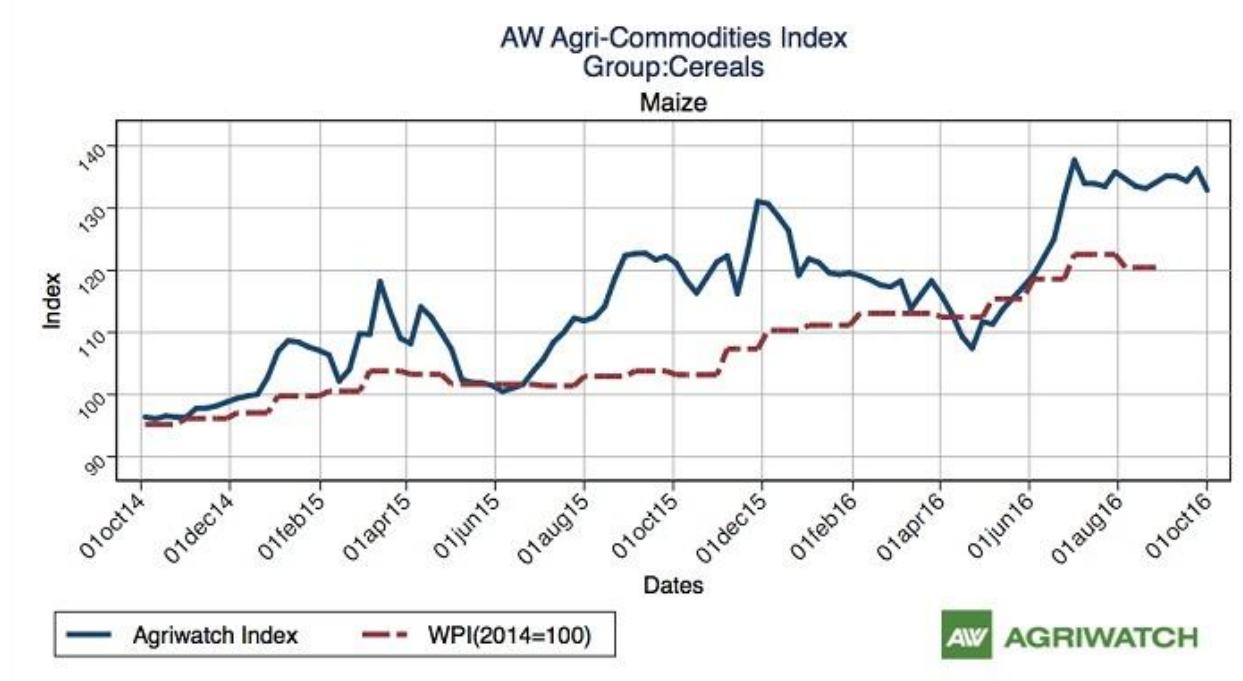
### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 7.28 USD/MT to 136.90 USD/MT for December contracts compared to last week.

At 1.39 MMT (for the period 23<sup>rd</sup> September- 29<sup>th</sup> September, 2016) exports were reported to Japan (376,000 MT), South Korea (261,800 MT), Mexico (166,400 MT), Saudi Arabia (136,800 MT), Taiwan (76,200 MT), Chile (69,800 MT), and Colombia (69,100 MT).

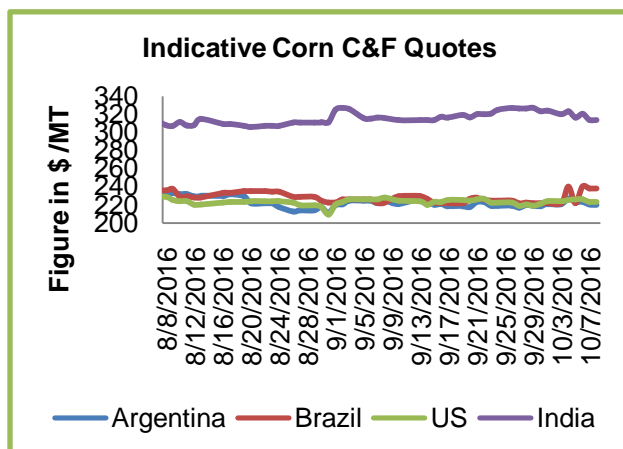
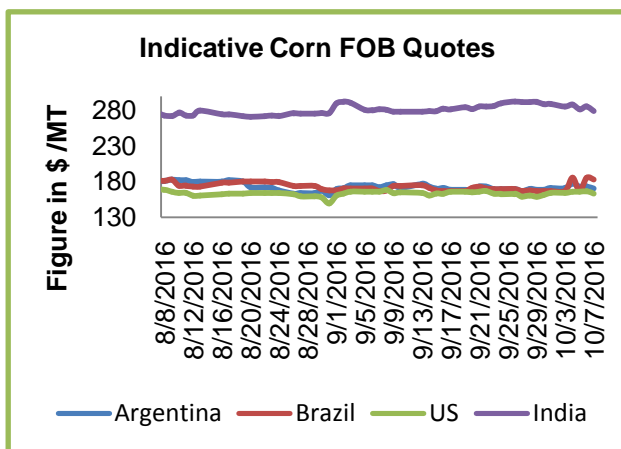
In U.S, 24% of corn crop has been harvested as on 2<sup>nd</sup> October'16; same from the last year but lower by 3% from last 5 year average period.

**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



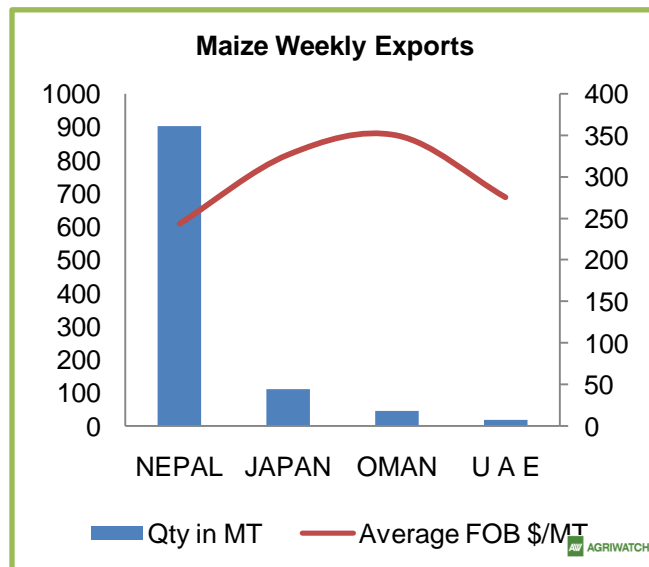
### Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.59)

As on 10.08.2016	Argentina	Brazil	US	India
<b>FOB</b>	170.37	183.25	163.30	278.96
<b>Cost and Freight (C&amp;F)</b>	220.37	238.25	223.30	313.96

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 1080 MT maize during the week ended 2<sup>nd</sup> October'16 against 1082 MT previous week ending 25<sup>th</sup> September'16. Maize has been exported at an average FoB of \$ 254.43 / MT. Indian maize is exported mainly to Nepal through Raxul LCS.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

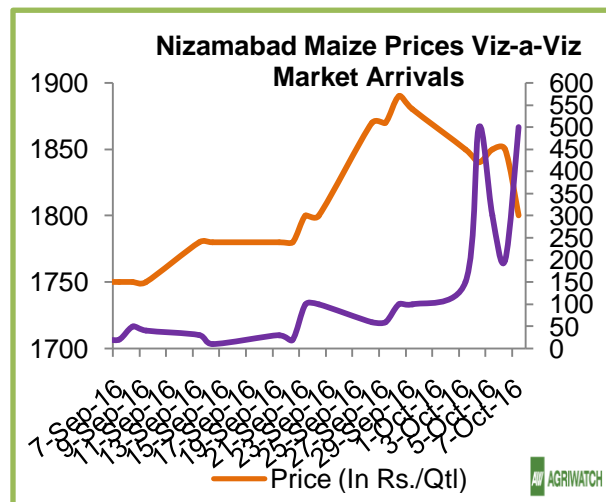
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	19200 (Davangere Origin)	N.A
<b>Namakkal</b>	18700 (Davangere Origin)	N.A
<b>Chitradurga</b>	17500 (Davangere Origin)	N.A
<b>Sangli</b>	16000 (Davangere Origin)	N.A
<b>Chennai</b>	19700 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

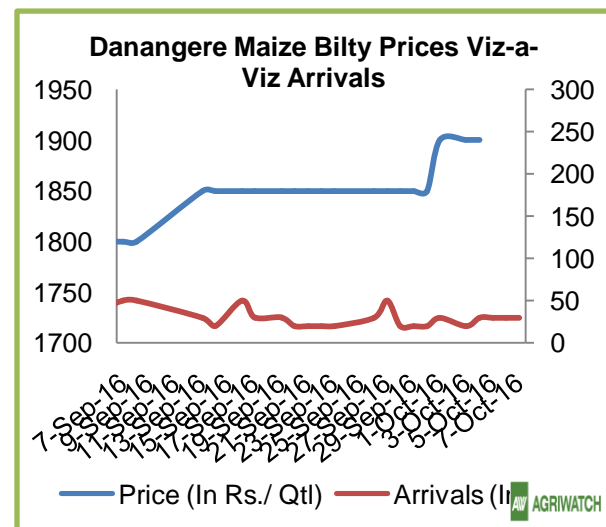
During the week under review, steady to weak sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

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 too.

KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore, Nammakal, Chitradurga, Sangli and Chennai at Rs. 1920 per quintal, 1870 per quintal, 1750 per quintal, Rs. 1600 per quintal, and Rs. 1970 per quintal respectively. New crop of maize has started from the first week of October, trading in loose at Rs. 1400-1550 per quintal contains moisture 22-25%. Also, size of grain is small which would keep demand at lower side.

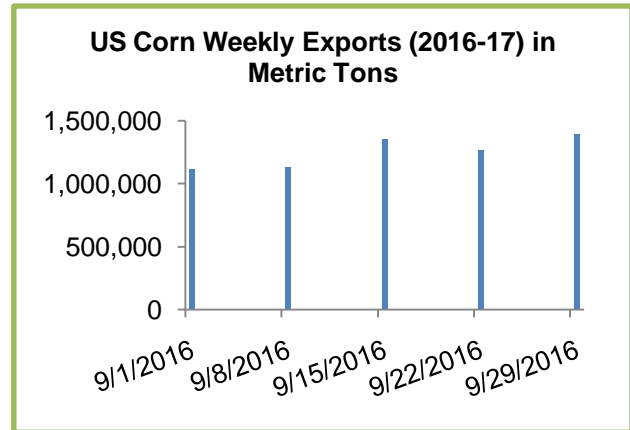
DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade weak for the week on the expectation of new crop arrival pressure.



### INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 5.43 MMT in the 2016-17 marketing year. At 1.39 MMT (for the period 23<sup>rd</sup> September- 29<sup>th</sup> September, 2016) exports were reported to Japan (376,000 MT), South Korea (261,800 MT), Mexico (166,400 MT), Saudi Arabia (136,800 MT), Taiwan (76,200 MT), Chile (69,800 MT), and Colombia (69,100 MT).
- In U.S, 24% of corn crop has been harvested as on 2<sup>nd</sup> October'16; same from the last year but lower by 3% from last 5 year average period. 73% crop of corn is in good to excellent condition.



### INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 7.28 USD/MT to 136.90 USD/MT for December contracts compared to last week.

### FUTURES MARKET ANALYSIS: NCDEX MAIZE:



#### (November Contract Weekly Chart)

- Candlestick depicts down in the market.
- RSI is moving up in overbought zone.
- Prices closed above 9 and 18 days EMAs.
- Strategy: Sell near 1374 for target 1358 and 1350 in the near term.

#### Strategy: Sell

#### Maize NCDEX (November)

Support & Resistance				
S2	S1	PCP	R1	R2
1295	1332	1369	1435	1501

**DAVANGERE MARKET ANALYSIS: MAIZE**


In Davangere cash market, maize (loose) prices are likely to trade at Rs.1530-1550 per quintal for the week.

**ANNEXURE**
**MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)**

Market	Grade	6-Oct-16	29-Sep-16	6-Sep-16	6-Oct-15	6-Oct-14
Gulabgagh	Bilty	1600	1600	1530	1430	1120
Delhi	Red	1550	1550	1550	NA	NA
Davangere	Bilty	NA	1850	NR	1450	NA
Shimoga	Bilty	1830	NA	1800	NA	NA
Ranebennur	Bilty	1790	1800	1880	NA	NA
Bagalkot	Hybrid/Local	1807	1650	NA	1401	NA
Gadag	Local	1561	1611	NA	NA	NA
Nizamabad	Bilty	1850	1880	1750	1450	NA
Khanna	Bilty	1610	1610	1620	NA	1250
Sangli	Bilty	1750	1923	1880	1564	NA
Ahmadabad	Feed	1700	1700	1800	1550	1310
	Starch	1700	1700	1740	1500	1310



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	5-Oct-16	28-Sep-16	Change
Corn CBOT Prices	Dec-16	136.90	129.62	7.28
	Mar-17	140.74	133.46	7.28
	May-17	143.50	136.31	7.19
	July-17	146.25	139.07	7.18
	Sep-17	148.81	141.82	6.99

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