

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 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 1153 MT maize during the week ended 8th October'16 against 1080 MT previous week ending 2nd October'16. Maize has been exported at an average FoB of \$ 257.85 / MT. Indian maize is exported mainly to Nepal and UAE through Raxul LCS followed by Mundra Sea.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 100 per quintal to Rs.1600 per quintal while starch feed makers quoted it 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 1358 levels for a target of 1342 and 1334 with a stop loss at 1367 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

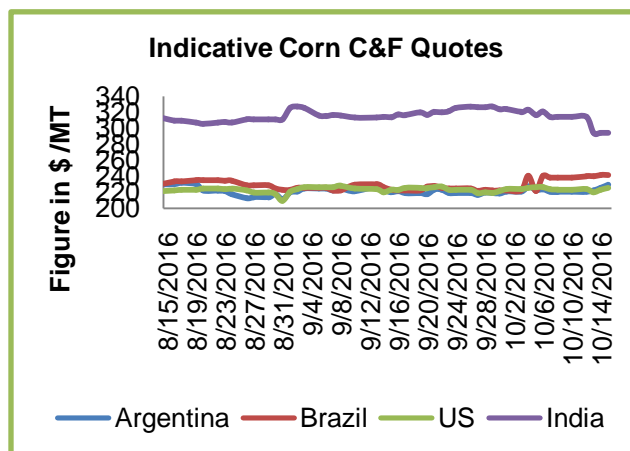
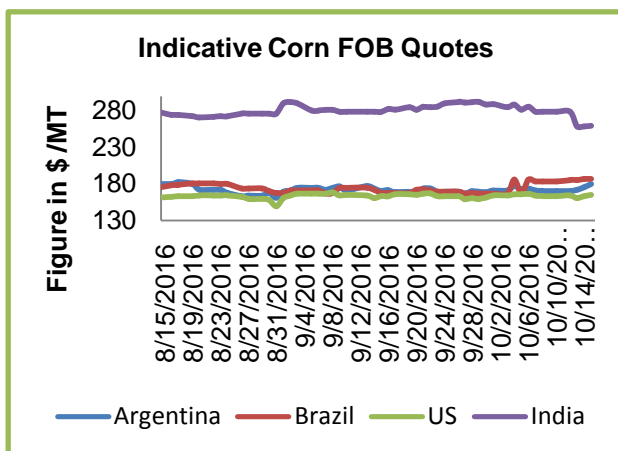
Corn prices on CBOT fall by 4.23 USD/MT to 132.67 USD/MT for December contracts compared to last week due to low export demand for U.S corn.

At 1.25 MMT (for the period 30th September- 6th October, 2016) exports were reported to Mexico (347,200 MT), Japan (281,500 MT), South Korea (206,500 MT), Peru (88,800 MT), Saudi Arabia (71,500 MT), Chile (47,800 MT), and Colombia (38,500 MT).

In U.S, 35% of corn crop has been harvested as on 9th October'16; lower by 3% from the last year and last 5 year average period.

USDA lowered its corn ending stock estimates for U.S by 1.612 MMT to 58.935 MMT for 2016/17 compared to last month.

EXPORT PARITY TREND

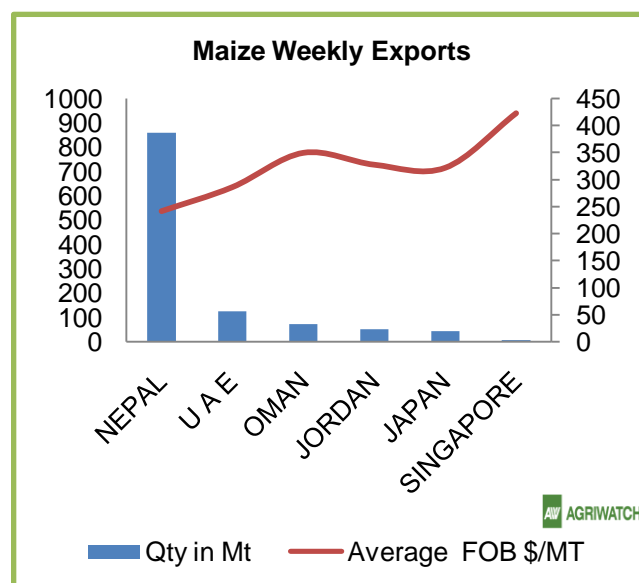


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.71)				
As on 10.15.2016	Argentina	Brazil	US	India
FOB	179.63	186.8	165.1	259.41
Cost and Freight (C&F)	229.63	241.80	225.10	294.41

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 1153 MT maize during the week ended 8th October'16 against 1080 MT previous week ending 2nd October'16. Maize has been exported at an average FoB of \$ 257.85 / MT. Indian maize is exported mainly to Nepal and UAE through Raxul LCS followed by Mundra Sea.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

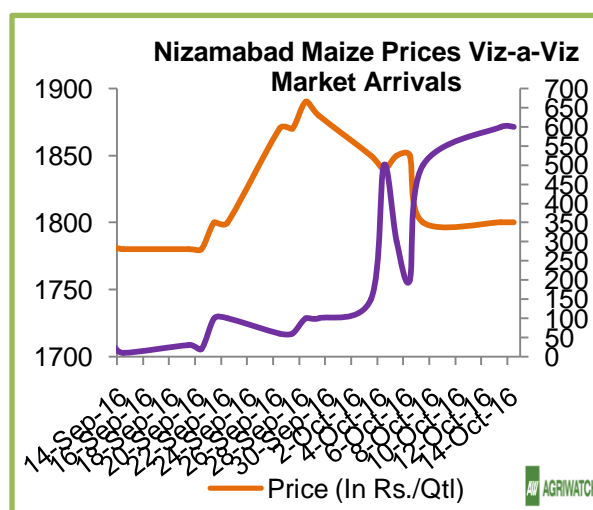
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	16000 (Davangere Origin)	N.A
Namakkal	16500 (Davangere Origin)	N.A
Sangli	15000 (Davangere Origin)	N.A
Chennai	16000 (Davangere Origin)	N.A

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:

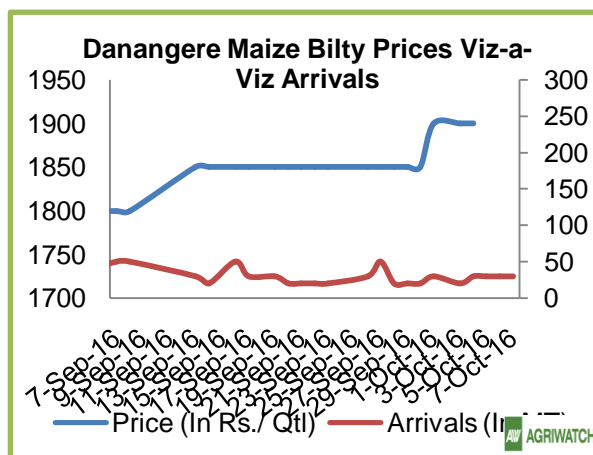
ANDHRA PRADESH:

- In Nizamabad, maize is likely to trade weak in the near term as new crop containing 15-20% moisture level, has started arriving.



KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore, Nammakal, Sangali and Chennai at Rs. 1600 per quintal, 1650 per quintal, 1500 per quintal, and Rs. 1600 per quintal respectively. New crop of maize has started from the first week of October, trading in loose at Rs. 1400-1550 per quintal. Moisture contain vary from 16-25%.

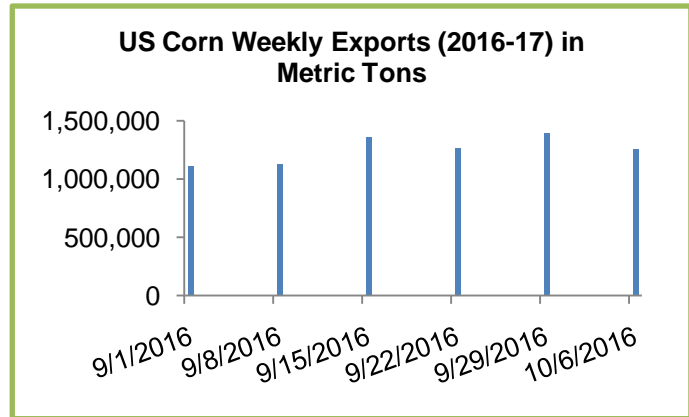


DOMESTIC MAIZE OUTLOOK:

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 6.68 MMT in the 2016-17 marketing year. At 1.25 MMT (for the period 30th September- 6th October, 2016) exports were reported to Mexico (347,200 MT), Japan (281,500 MT), South Korea (206,500 MT), Peru (88,800 MT), Saudi Arabia (71,500 MT), Chile (47,800 MT), and Colombia (38,500 MT).
- In U.S, 35% of corn crop has been harvested as on 9th October'16; lower by 3% from the last year and last 5 year average period. 73% crop of corn is in good to excellent condition.
- USDA lowered its corn ending stock estimates for U.S by 1.612 MMT to 58.935 MMT for 2016/17 compared to last month due to decrease in production estimates at 382.476 MMT for 2016/17.

**INTERNATIONAL CORN OUTLOOK:**

Corn prices on CBOT fall by 4.23 USD/MT to 132.67 USD/MT for December contracts compared to last week due to low export demand for U.S corn.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(November Contract Weekly Chart)

- Candlestick depicts down in the market.
- RSI is moving down in neutral zone.
- Prices closed below 9 and 18 days EMAs.
- Decrease in prices with higher OI indicates short build up.
- Strategy: Sell near 1358 for target 1342 and 1334 in the near term.

Strategy: Sell

Maize NCDEX (November)

Support & Resistance				
S2	S1	PCP	R1	R2
1312	1333	1361	1382	1403

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	13-Oct-16	6-Oct-16	13-Sep-16	13-Oct-15	13-Oct-14
Gulabbagh	Bilty	Closed	1600	1530	1430	1135
Delhi	Red	1550	1550	1500	NA	NA
Davangere	Bilty	NA	NA	1850	NA	NA
Shimoga	Bilty	NA	1830	1850	NA	950
Ranebennur	Bilty	NA	1790	1850	NA	1170
Bagalkot	Hybrid/Local	1485	1807	1850	1401	1040
Gadag	Local	NA	1561	NA	NA	1032
Nizamabad	Bilty	1800	1850	1780	1425	1175
Khanna	Bilty	1600	1610	1560	NA	1250
Sangli	Bilty	1600	1750	1900	1450	1223
Ahmadabad	Feed	1600	1700	Closed	1450	1330
	Starch	1700	1700	Closed	1450	1300

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	12-Oct-16	5-Oct-16	Change
Corn CBOT Prices	Dec-16	132.67	136.90	-4.23
	Mar-17	136.61	140.74	-4.13
	May-17	139.27	143.50	-4.23
	July-17	141.92	146.25	-4.33
	Sep-17	144.78	148.81	-4.03

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