

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded weak during the week and are expected to trade weak ahead due to new crop arrival pressure. There is gap between low and high price of maize due to variation in moisture level and actual grain size.

India exported 363.2 MT maize during the week ended 16th October'16 against 1153 MT previous week ending 8th October'16. Maize has been exported at an average FoB of \$ 301.80 / MT.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 150 per quintal to Rs.1500 per quintal while starch feed makers quoted it down by Rs. 325 per quintal to Rs. 14250 per quintal compared to last week.

Agriwatch expects kharif production to be around 17.6 MMT in 2016/17 year. New crop arrival contains high moisture level at this time.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for November contract near 1370 levels for a target of 1346 and 1334 with a stop loss at 1384 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1480-1500 per quintal for the week.

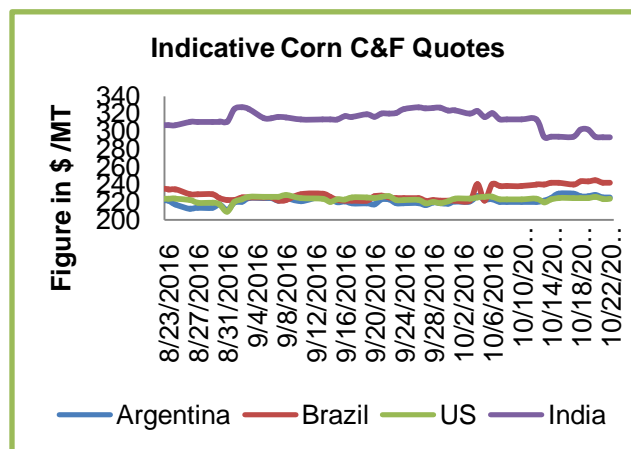
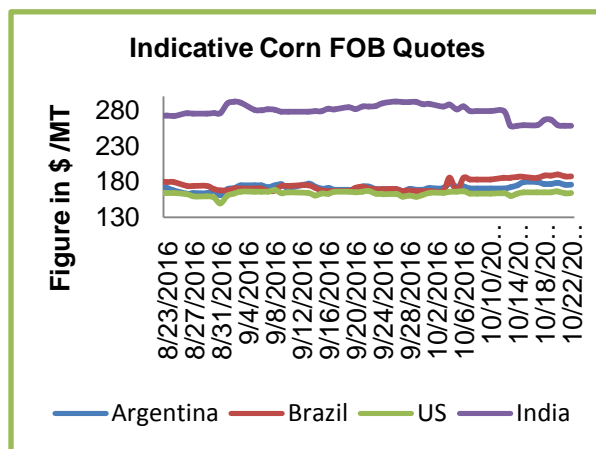
INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 3.84 USD/MT to 140.74 USD/MT for December contracts compared to last week due to short covering.

U.S corn exports reached 7.53 MMT in the 2016-17 marketing year. At 0.85 MMT (for the period 7th October- 13th October, 2016) exports were down 32 percent from the previous week and 35 percent from the prior 4-week average period.

In U.S, 46% of corn crop has been harvested as on 16th October'16; lower by 8% from the last year and 3% from the last 5 year average period. 74% crop of corn is in good to excellent condition.

EXPORT PARITY TREND

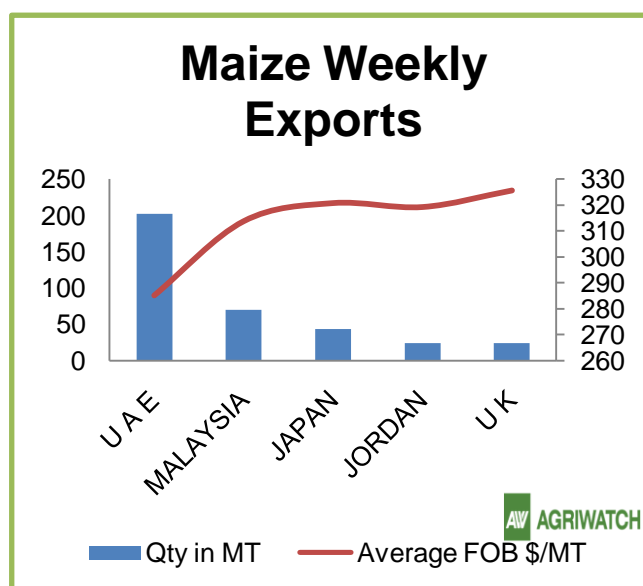


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.91)				
As on 10.22.2016	Argentina	Brazil	US	India
FOB	175.59	187.40	164.30	258.71
Cost and Freight (C&F)	225.59	242.40	224.30	293.71

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 363.2 MT maize during the week ended 16th October'16 against 1153 MT previous week ending 8th October'16. Maize has been exported at an average FoB of \$ 301.80 / MT. Indian maize is exported mainly to UAE and Malaysia through Mundra Sea followed by JNPT Sea.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	15000 (Davangere Origin)	N.A
Namakkal	15500 (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:

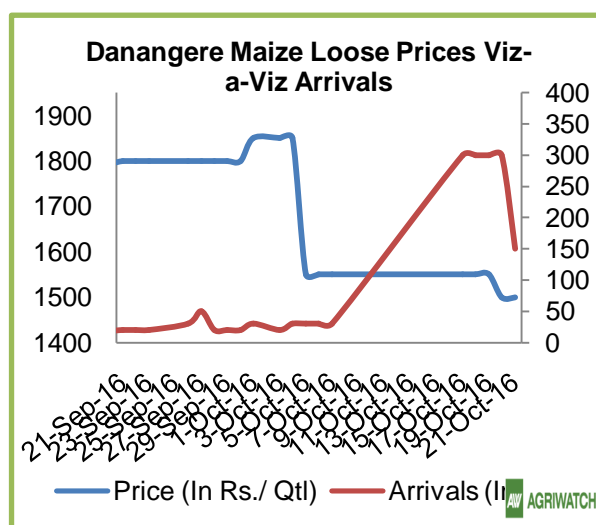
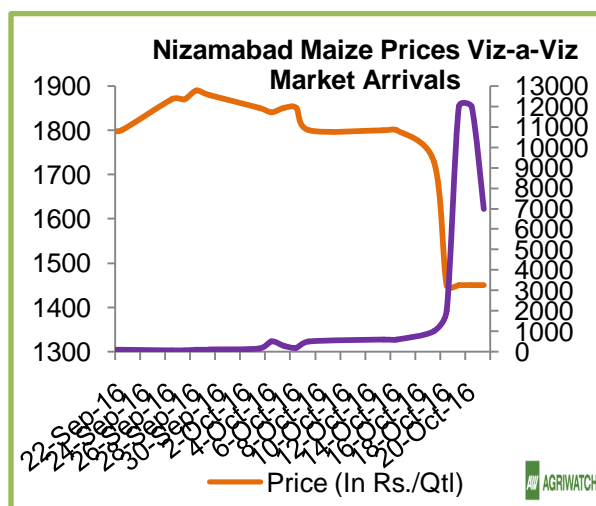
- In Nizamabad, maize is likely to trade weak due to new crop arrival pressure.

KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore and Nammakal at Rs. 1500 per quintal, 1550 per quintal respectively. In Davangere, new crop contains 14-18% moisture level.

DOMESTIC MAIZE OUTLOOK:

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

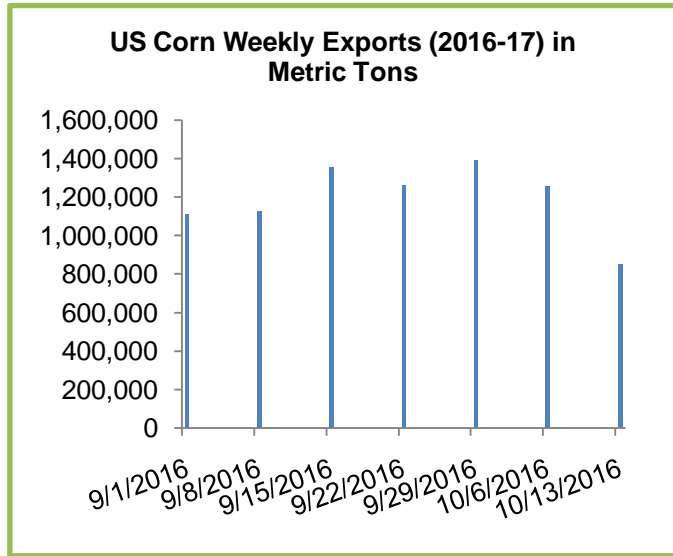


INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 7.53 MMT in the 2016-17 marketing year. At 0.85 MMT (for the period 7th October- 13th October, 2016) exports were down 32 percent from the previous week and 35 percent from the prior 4-week average period. The primary destinations were Saudi Arabia (140,000 MT), Mexico (124,800 MT), Colombia (1,02,300 MT), Peru (84,800 MT), Vietnam (76,900 MT), Bangladesh (60,400 MT), and the Dominican Republic (42,300 MT).
- In U.S, 46% of corn crop has been harvested as on 16th October'16; lower by 8% from the last year and 3% from the last 5 year average period. 74% crop of corn is in good to excellent condition.
- Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 46.1% in the August'16 from 45.7% during the same month last year as users' reliance on sorghum decreased.



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 3.84 USD/MT to 140.74 USD/MT for December contracts compared to last week due to short covering.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(November Contract Weekly Chart)

- Candlestick depicts down trend in the market.
- RSI is moving down in neutral zone.
- Prices closed below 9 and 18 days EMAs.
- Decrease in prices with lower OI indicates long liquidation.
- Strategy: Sell near 1370 for target 1346 and 1334 in the near term.

Strategy: Sell
Maize NCDEX (November)

Support & Resistance				
S2	S1	PCP	R1	R2
1308	1332	1357	1396	1420

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1480-1500 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	20-Oct-16	13-Oct-16	20-Sep-16	20-Oct-15	20-Oct-14
Gulabbagh	Bilty	1610	1500	1550	1430	1100
Delhi	Red	1500	1550	1525	NA	NA
Davangere	Loose	1500	NR	1800	1440	1000
Shimoga	Bilty	1700	1780	NA	NA	1070
Ranebennur	Bilty	1640	1690	1800	1500	NA
Bagalkot	Hybrid/Local	1351	1485	NA	NA	NA
Gadag	Local	1522	1452	NA	1350	1002
Nizamabad	Bilty	1450	1800	1780	NA	NA
Khanna	Bilty	1580	1600	1630	NA	1300
Sangli	Feed	1430	1630	1920	1470	1205
Ahmadabad	Feed	1500	1650	1660	1500	1340
	Starch	1425	1750	1650	1500	1320

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	19-Oct-16	12-Oct-16	Change
Corn CBOT Prices	Dec-16	140.74	136.90	3.84
	Mar-17	144.58	140.74	3.84
	May-17	147.24	143.50	3.74
	July-17	149.60	146.25	3.35
	Sep-17	152.06	148.81	3.25

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