

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 steady to weak ahead due to new crop arrival pressure.

India exported 3358.8 MT maize during the week ended 23rd October'16 against 363.2 previous week ending 16th October'16. Maize has been exported at an average FoB of \$ 256.4 / MT.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 50 per quintal to Rs.1450 per quintal while starch feed makers quoted it down by Rs. 75 per quintal to Rs. 1375 per quintal compared to last week.

Agriwatch expects kharif production to be around 17.6 MMT in 2016/17 year.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for December contract near 1404 levels for a target of 1384 and 1374 with a stop loss at 1416 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1400-1420 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

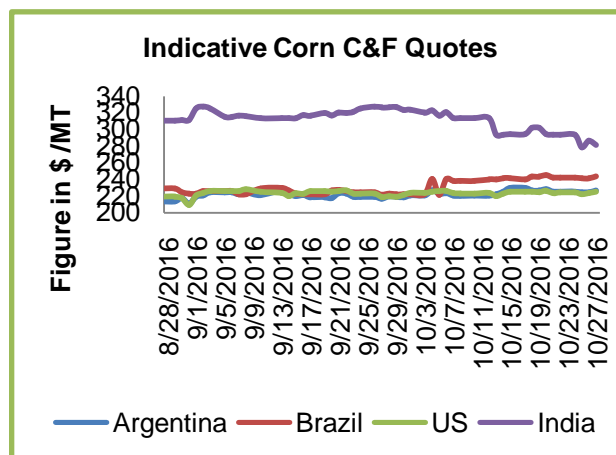
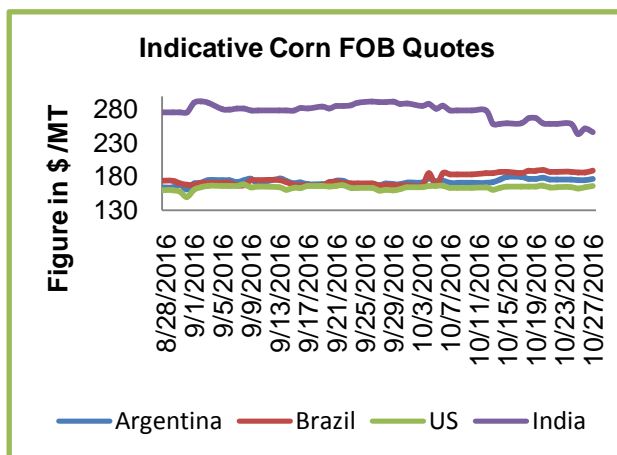
Corn prices on CBOT fall by 1.38 USD/MT to 139.36 USD/MT for December contract compared to last week and are expected to trade weak ahead due to new crop arrival pressure.

The IGC increased its forecast for the 2016/17 global corn production by 8 MMT to 1035 MMT compared to last month' projection as higher crop prospects in the U.S, Argentina and India.

At 0.52 MMT (for the period 14th October- 20th October, 2016) U.S corn exports were down 37 percent from the previous week and 56 percent from the prior 4-week average.

In U.S, 61% of corn crop has been harvested as on 23rd October'16; lower by 9% from the last year and 1% from the last 5 year average period.

EXPORT PARITY TREND



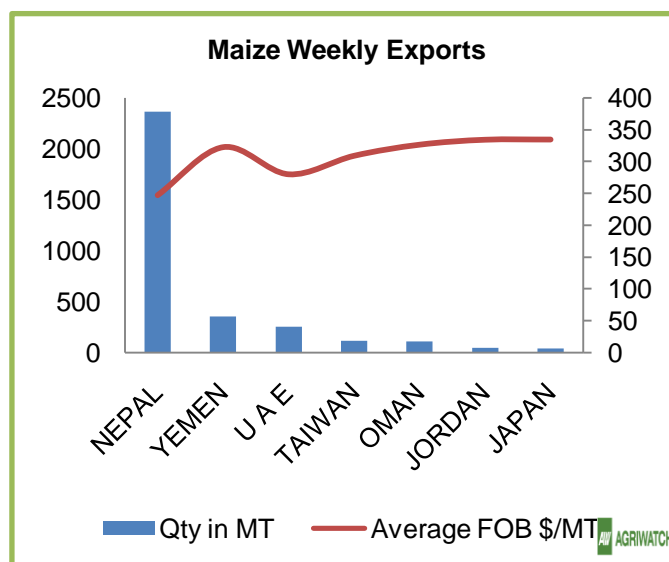
Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.88)

As on 10.27.2016	Argentina	Brazil	US	India
FOB	176.77	188.60	165.68	246.61
Cost and Freight (C&F)	226.77	243.60	225.68	281.61

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 3358.8 MT maize during the week ended 23rd October'16 against 363.2 previous week ending 16th October'16. Maize has been exported at an average FoB of \$ 256.4 / MT. Indian maize is exported mainly to Nepal through Raxaul LCS.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

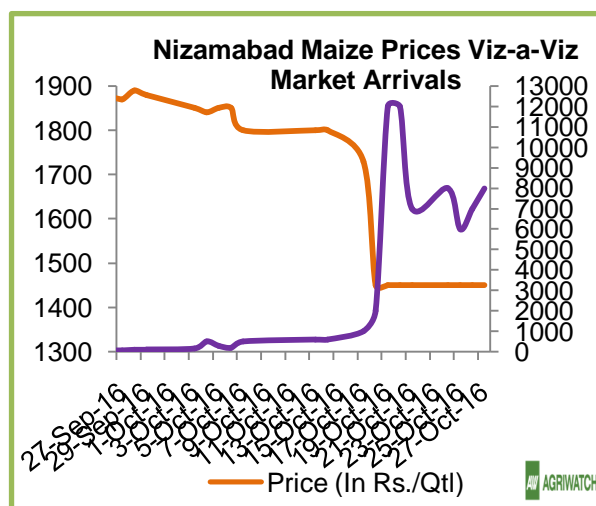
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	15000 (Davangere Origin)	N.A
Namakkal	15700 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

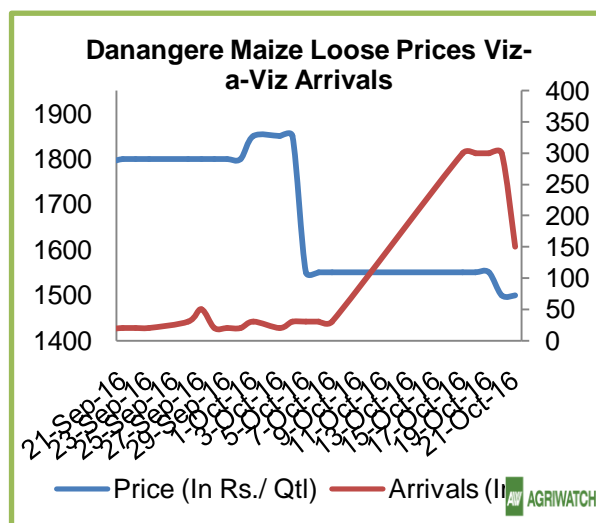
During the week under review, weak sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In Nizamabad, maize is likely to trade steady to slightly weak due to new crop arrival pressure. New crop contains 13-14% moisture level. Starch feed makers of Hyderabad are active at this time. Also, stockiest demand is expected after Diwali festival.


KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore and Namakkal at Rs. 1500 per quintal, 1570 per quintal respectively. Maize is likely to trade weak due to arrival pressure.


DOMESTIC MAIZE OUTLOOK:

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

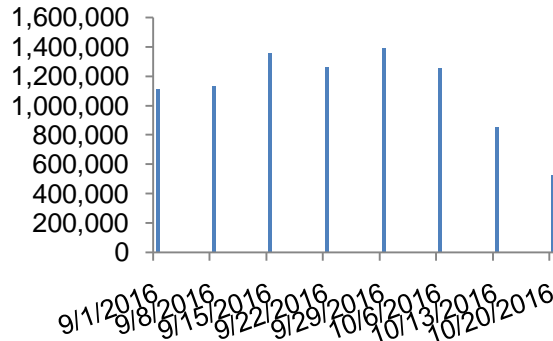
INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 8.04 MMT in the 2016-17 marketing year. At 0.52 MMT (for the period 14th October- 20th October, 2016) exports were down 37 percent from the previous week and 56 percent from the prior 4-week average. The primary destinations were Mexico (180,200 MT), the Netherlands (68,800 MT), South Korea (56,200 MT), Colombia (30,600 MT), Panama (29,300 MT), Peru (25,000 MT), and Guatemala (23,700 MT).
- In U.S, 61% of corn crop has been harvested as on 23rd October'16; lower by 9% from the last year and 1% from the last 5 year average period.
- The IGC increased its forecast for the 2016/17 global corn production by 8 MMT to 1035 MMT compared to last month' projection as higher crop prospects in the U.S, Argentina and India. Global corn production is higher than last year' estimate by 64 MMT. Forecast for global corn ending stock was also raised by 5 MMT to 221 MMT compared to last month.

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



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 1.38 USD/MT to 139.36 USD/MT for December contract compared to last week and are expected to trade weak ahead due to new crop arrival pressure.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(December Contract Weekly Chart)

- Candlestick depicts gain in the market.
- RSI is moving up in neutral zone.
- Prices closed above 9 and 18 days EMAs.
- Strategy: Sell near 1404 for target 1384 and 1374 in the near term.

Strategy: Sell

Maize NCDEX (December)

Support & Resistance				
S2	S1	PCP	R1	R2
1332	1365	1398	1419	1440

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1400-1420 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	27-Oct-16	20-Oct-16	27-Sep-16	27-Oct-15	27-Oct-14
Gulabgh	Bilty	1500	1610	1625	1430	1150
Delhi	Red	1510	1500	1550	NA	NA
Davangere	Loose	1420	1500	1800	1400	1000
Shimoga	Bilty	1580	1700	1900	1550	1080
Ranebennur	Bilty	1490	1640	1800	1500	1200
Bagalkot	Hybrid/Local	1342	1351	1685	1411	1071
Gadag	Local	1368	1522	1406	1350	966
Nizamabad	Bilty	1450	1450	1870	1400	1180
Khanna	Bilty	1550	1580	1610	NA	1300
Sangli	Feed	1381	1430	1920	1470	1250
Ahmadabad	Feed	1450	1500	1710	1500	1360
	Starch	1375	1450	1650	1550	1320



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	26-Oct-16	19-Oct-16	Change
Corn CBOT Prices	Dec-16	139.36	140.74	-1.38
	Mar-17	143.01	144.58	-1.57
	May-17	145.66	147.24	-1.58
	July-17	148.22	149.60	-1.38
	Sep-17	150.68	152.06	-1.38

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