



# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded mixed during the week and are expected to trade more or less steady for a week.

India exported 3237.3 MT maize during the week ended 30<sup>th</sup> October'16 against 3358.8 MT previous week ending 23<sup>rd</sup> October'16.

Ahmadabad market was closed during last week due to festive season.

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

### RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for December contract near 1377 levels for a target of 1399 and 1410 with a stop loss at 1364 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1380-1400 per quintal for the week.

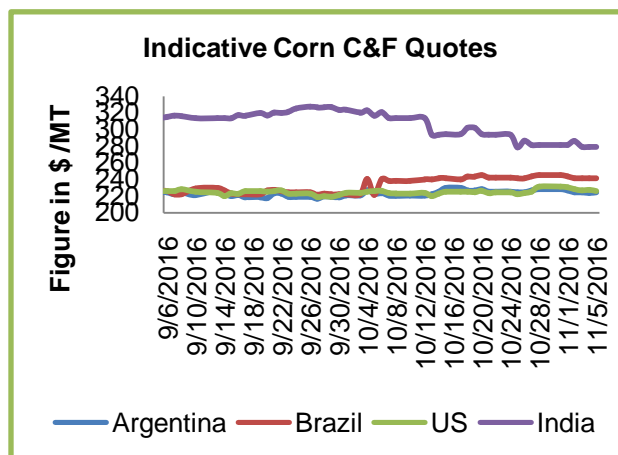
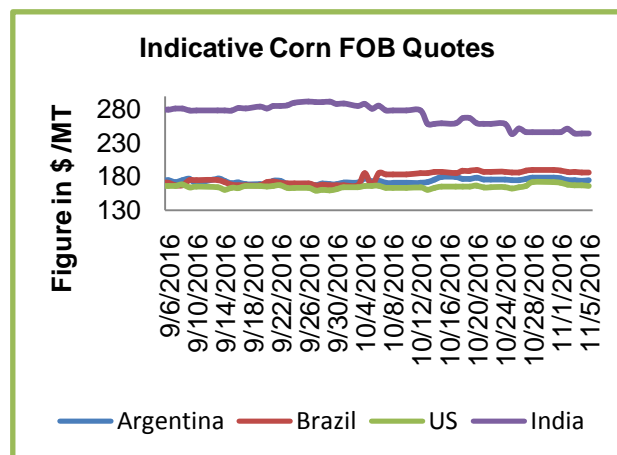
### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 4.43 USD/MT to 136.31 USD/MT for December contract compared to last week and are expected to trade weak ahead due to new crop arrival pressure.

At 0.86 MMT (for the period 21st October- 27th October, 2016) exports were up 66 percent from the previous week, but down 13 percent from the prior 4-week average.

In U.S, 75% of corn crop has been harvested as on 30<sup>th</sup> October'16; lower by 7% from the last year but same from the last 5 year average period.

## EXPORT PARITY TREND

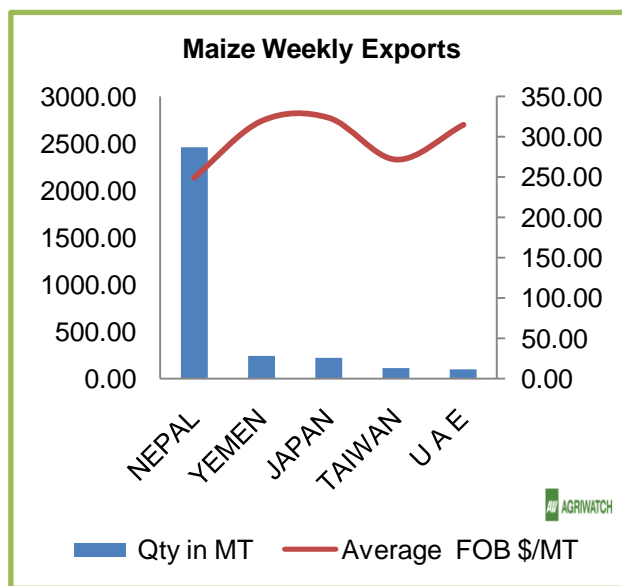


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 66.8)				
As on 11.05.2016	Argentina	Brazil	US	India
FOB	174.31	186.25	166.40	244.15
Cost and Freight (C&F)	224.31	241.25	226.40	279.15

As depicted by the above data, gap between other exporting countries and India starts narrowing and if current trend continues, neighbouring countries of India may start looking Indian maize.

## EXPORT BREAK UP BY MAJOR COUNTRIES

- As per IBIS data, India exported 3237.3 MT maize during the week ended 30<sup>th</sup> October'16 against 3358.8 MT previous week ending 23<sup>rd</sup> October'16. Maize has been exported at an average FoB of \$ 257.65 / MT. Indian maize is exported mainly to Nepal through Raxaul LCS.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

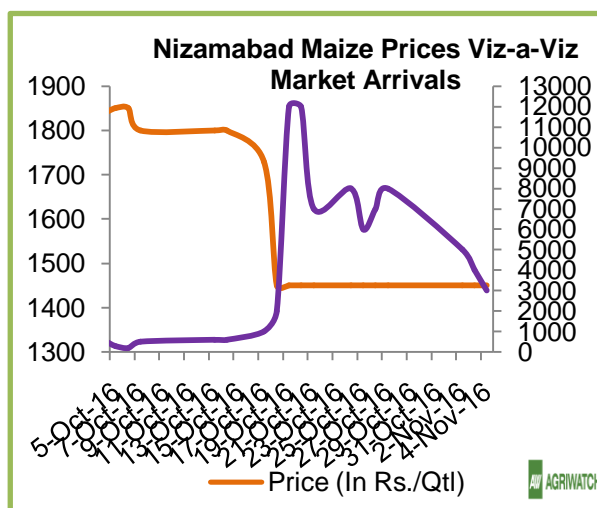
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	15200 (Davangere Origin)	N.A
<b>Namakkal</b>	15700 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

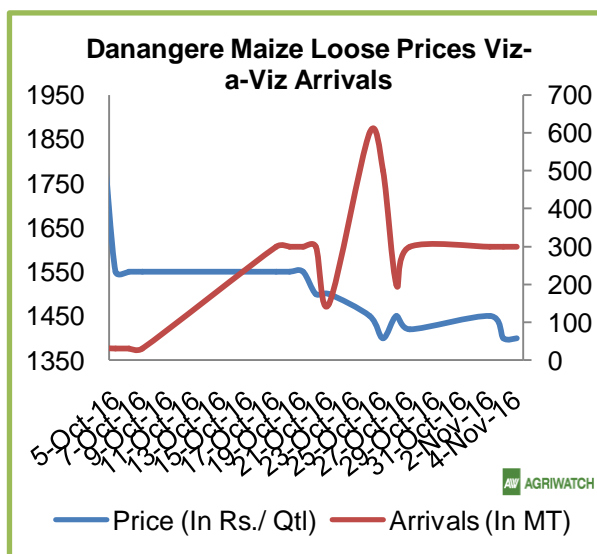
During the week under review, mixed sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In Nizamabad, maize is likely to trade steady in the near term. New crop contains 13-14% moisture level. Starch feed makers of Hyderabad are active at this time. Stockiest demand is expected in the near term.

KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore and Namakkal at Rs. 1520 per quintal, 1570 per quintal respectively. New crop contains 16-18% moisture level and is likely to trade steady in the near term.

DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade steady in the near term.



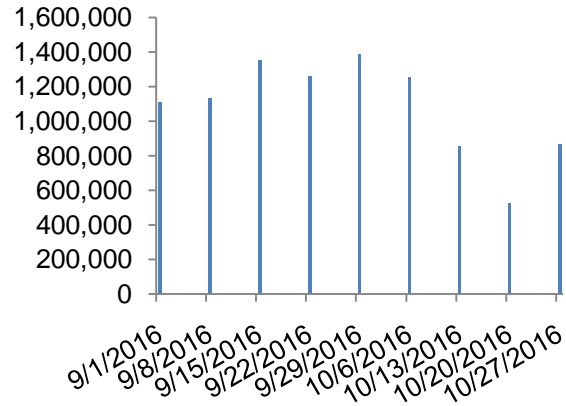
### INTERNATIONALS

### MARKET:

#### HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 8.91 MMT in the 2016-17 marketing year. At 0.86 MMT (for the period 21st October- 27th October, 2016) exports were up 66 percent from the previous week, but down 13 percent from the prior 4-week average. The primary destinations were Mexico (163,800 MT), Japan (144,000 MT), Colombia (141,600 MT), South Korea (127,000 MT), Egypt (56,700 MT), Peru (41,400 MT), and Jordan (32,700 MT).
- In U.S, 75% of corn crop has been harvested as on 30<sup>th</sup> October'16; lower by 7% from the last year but same from the last 5 year average period.

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



#### INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 4.43 USD/MT to 136.31 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: Buy near 1377 for target 1399 and 1410 in the near term.

**Strategy: Buy**
**Maize NCDEX (December)**

Support & Resistance				
S2	S1	PCP	R1	R2
1339	1354	1388	1418	1435

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1380-1400 per quintal for the week.

### ANNEXURE

#### MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	3-Nov-16	27-Oct-16	3-Oct-16	3-Nov-15	3-Nov-14
Gulabgh	Bilty	1550	1500	1570	1500	1170
Delhi	Red	1500	1510	1550	1550	1260
Davangere	Loose	1400	1420	1850	1400	1050
Shimoga	Bilty	1450	1640	1900	1550	1050
Ranebennur	Bilty	1450	1570	1800	NA	1160
Bagalkot	Hybrid/Local	1362	1350	1650	1400	1131
Gadag	Local	1360	1368	1711	1315	991
Nizamabad	Bilty	1450	1450	1850	1440	1160
Khanna	Bilty	1600	1550	1610	NA	1300
Sangli	Feed	1390	1381	1900	1487	1220
Ahmadabad	Feed	Closed	1450	1700	1550	1320
	Starch	Closed	1375	1700	1560	1300

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	2-Nov -16	26-Oct-16	Change
Corn CBOT Prices	Dec-16	136.31	140.74	-4.43
	Mar-17	139.95	144.58	-4.63
	May-17	142.91	147.24	-4.33
	July-17	145.66	149.60	-3.94
	Sep-17	148.22	152.06	-3.84

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