

# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Due to cash crunch in the market, farmers are bringing less stock in the market as traders are not able to pay the farmers' payment. Traders are expecting that situation will be under control soon but till the time, market trades are badly affected by that.

Overall maize cash markets traded firm during the week and are expected to trade steady to slightly firm in the near term.

India exported 3016 MT maize during the week ended 13<sup>th</sup> November'16 against 2421 MT previous week ending 6<sup>th</sup> November'16. Maize has been exported at an average FoB of \$ 259.04 / MT.

In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 75 per quintal to Rs. 1500 per quintal while starch feed makers quoted it firm by Rs. 90 per quintal to Rs. 1500 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 long in Maize for December contract near 1434 levels for a target of 1450 and 1458 with a stop loss at 1425 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1470-1490 per quintal for the week.

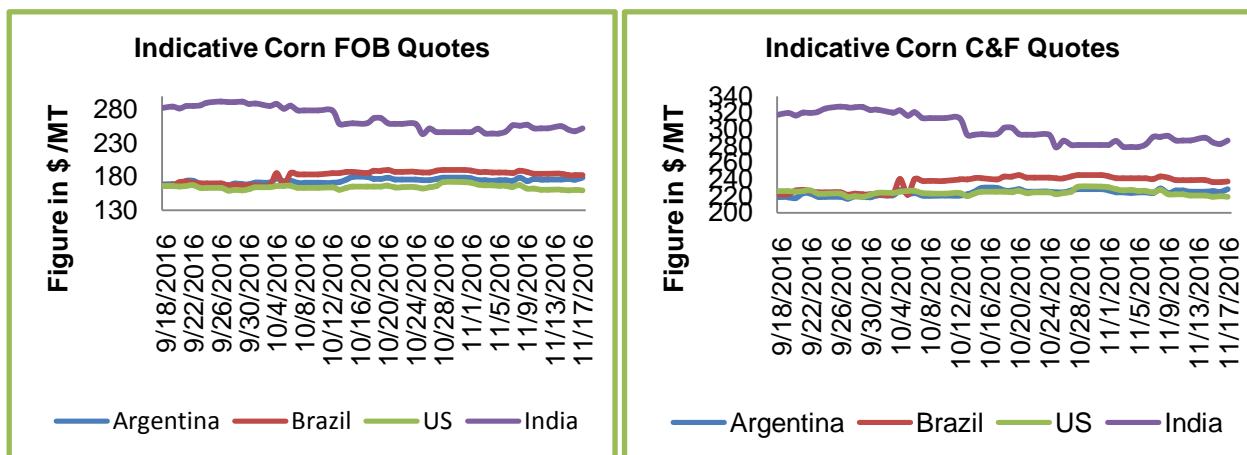
### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 3.64 USD/MT to 133.26 USD/MT for December contract compared to last week due to strength in the dollar.

At 0.54 MMT (for the period 4th November – 10th November, 2016) exports were down 39 percent from the previous week and 31 percent from the prior 4-week average. .

In U.S, 93% of corn crop has been harvested as on 13<sup>th</sup> November'16; lower by 2% from the last year but higher by 1% from the last 5 year average period.

### EXPORT PARITY TREND



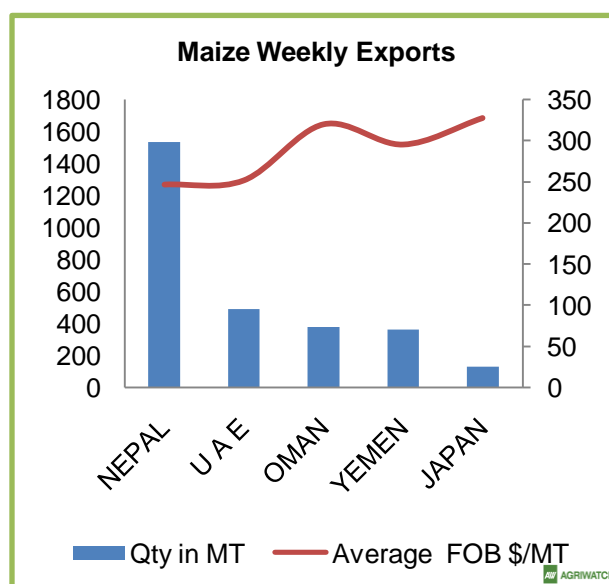
### Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.91)

As on 11.17.2016	Argentina	Brazil	US	India
FOB	178.54	182.45	158.86	251.83
Cost and Freight (C&F)	228.54	237.45	218.86	286.83

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 3016 MT maize during the week ended 13<sup>th</sup> November'16 against 2421 MT previous week ending 6<sup>th</sup> November'16. Maize has been exported at an average FoB of \$ 259.04 / MT. Indian maize is exported mainly to Nepal followed by UAE through Raxaul LCS and JNPT sea.



**BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:**

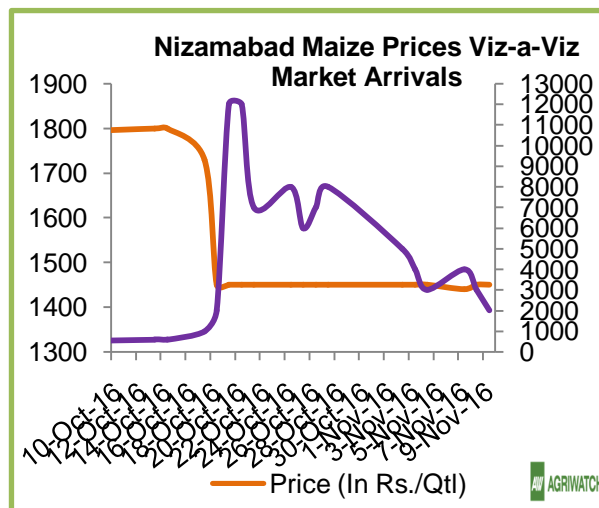
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	15800 (Davangere Origin)	N.A
<b>Namakkal</b>	16600 (Davangere Origin)	N.A

**CURRENT MARKET DYNAMICS:**

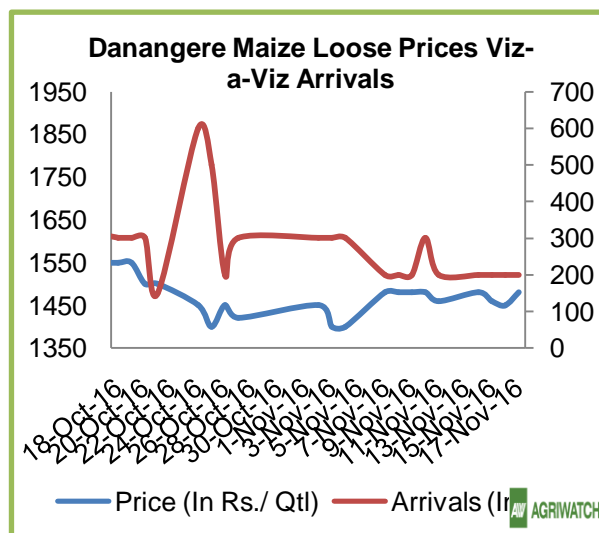
During the week under review, firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

**ANDHRA PRADESH:**

- In Nizamabad, maize is likely to trade steady in the near term. New crop contains 13-14% moisture level. Market was closed during the week due to cash crunch.


**KARNATAKA:**

- Maize sourced from Davangere moved towards Bangalore and Nammakal at Rs. 1580 per quintal, 1660 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 to slightly firm in the near term.

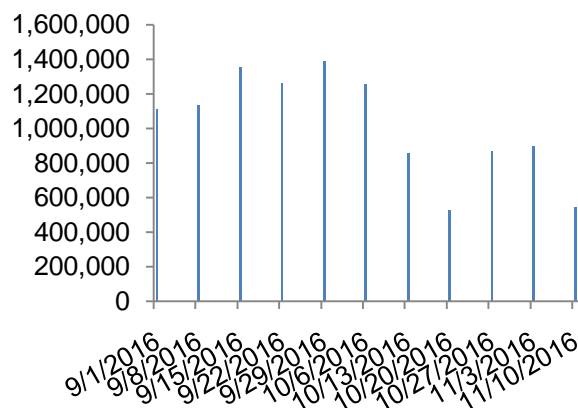
## INTERNATIONALS

## MARKET:

### HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 10.34 MMT in the 2016-17 marketing year. At 0.54 MMT (for the period 4th November – 10th November, 2016) exports were down 39 percent from the previous week and 31 percent from the prior 4-week average. The primary destinations were Mexico (239,400 MT), Peru (60,100 MT), El Salvador (49,200 MT), Colombia (46,600 MT), Japan (38,200 MT), Guatemala (24,200 MT), and Taiwan (23,600 MT).
- In U.S, 93% of corn crop has been harvested as on 13<sup>th</sup> November'16; lower by 2% from the last year but higher by 1% from the last 5 year average period.
- South Korea's Korea Feed Association purchased about 63,000 MT of yellow corn at around \$188 per MT c&f for arrival by March 25, 2017. Besides, Feed Leaders Committee purchased 117,000 MT of yellow corn. Some 50,000 MT was purchased at \$182.90 per MT c&f from CJ International for arrival around March 10, 2017, Another 67,000 MT was purchased at \$183.50 per MT c&f from Pan Ocean for arrival around March 20, 2017. Both prices include the surcharge for unloading at an additional port. Meanwhile, Nonghyup Feed Inc. purchased 68,000 MT of yellow corn at \$183.99 per MT c&f plus a \$1.25 per MT surcharge for additional port unloading for arrival around March 20, 2017. Also, Major Feedmill Group purchased around 132,000 MT of optional-origin yellow corn from CHS in two 66,000 MT consignments, both at \$184.99 per MT c&f plus a \$1.00 per MT surcharge for additional port unloading. One consignment was for arrival around March 8, 2017, and the other for arrival by March 13, 2017.
- Taiwan's maize industry procurement association purchased around 65,000 MT of corn from the U.S. at a premium of 116 U.S. cents c&f over the Chicago May corn contract for the shipment in 2017 between Feb. 23 to March 14 if from the U.S. Gulf and 15 days later from the U.S. Pacific North West coast.
- Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 45.9% in the September'16 from 45.7% during the same month last year as users' reliance on sorghum decreased.
- Informa trimmed its corn plantings forecast for 2017 to 90.841 million acres.

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



### INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 3.64 USD/MT to 133.26 USD/MT for December contract compared to last week due to strength in the dollar.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(December Contract Weekly Chart)**

- Candlestick depicts gain in the market.
- RSI is moving up in overbought zone.
- Prices closed above 9 and 18 days EMAs.
- Strategy: Buy near 1434 for target 1450 and 1458 in the near term.

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

Support & Resistance				
S2	S1	PCP	R1	R2
1391	1418	1445	1471	1498

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1470-1490 per quintal for the week.

### ANNEXURE

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

Market	Grade	17-Nov-16	10-Nov-16	17-Oct-16	17-Nov-15	17-Nov-14
Gulabghagh	Bilty	1650	1550	1610	1550	1150
Delhi	Red	1650	1550	1540	1550	NA
Davangere	Loose	1480	1480	1550	1400	1080
Shimoga	Bilty	1400	1400	1700	1550	NA
Ranebennur	Bilty	1460	1450	1610	NA	1082
Bagalkot	Hybrid/Local	1425	1408	1391	1415	1126
Gadag	Local	1412	1390	1501	1415	1056
Nizamabad	Bilty	Closed	Closed	1730	1525	1225
Khanna	Bilty	1710	1600	1600	NA	1350
Sangli	Feed	1470	1440	1500	1536	1216
Ahmadabad	Feed	1500	1425	1550	1550	1240
	Starch	1500	1410	1660	1550	1200

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	16-Nov-16	9-Nov-16	Change
Corn CBOT Prices	Dec-16	133.26	136.90	-3.64
	Mar-17	136.41	140.74	-4.33
	May-17	139.17	143.50	-4.33
	July-17	141.82	146.25	-4.43
	Sep-17	144.68	148.81	-4.13

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