



# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded almost steady during the week and are expected to trade steady in the near term too amid steady demand. Poultry and starch feed makers of Ahmadabad market, quoted maize steady at Rs. 1450 per quintal compared to last week.

In India, maize has been sown in around 5.01 lakh hectares as on 25<sup>th</sup> November'16 which is lower than 5.63 lakh hectare covered during corresponding period last year. As per trade sources, in A.P, soybean and paddy crop area is likely to shift towards maize. In Bihar, maize crop area is likely to be same compared to last year.

As far as exports are concerned, India exported 4005 MT maize during the week ended 26<sup>th</sup> November'16 against 3652 MT previous week ending 20<sup>th</sup> November'16. Maize has been exported at an average FoB of \$ 258.65 / MT.

### RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for December contract near 1430 levels for a target of 1418 and 1412 with a stop loss at 1437 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1450 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 0.69 USD/MT to 132.57 USD/MT for December contract compared to last week as ample supplies from a record U.S. harvest continues to weigh on market sentiments.

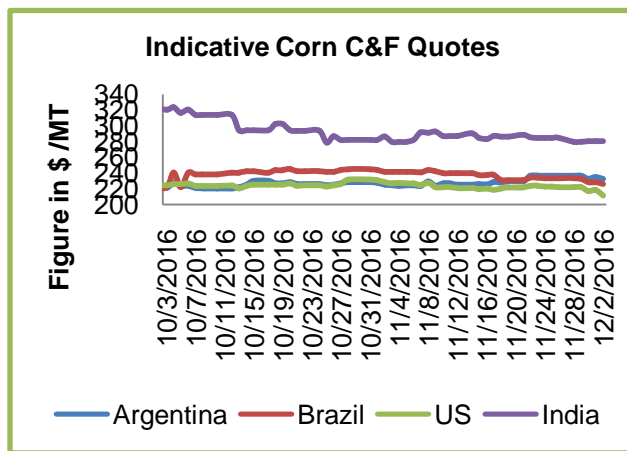
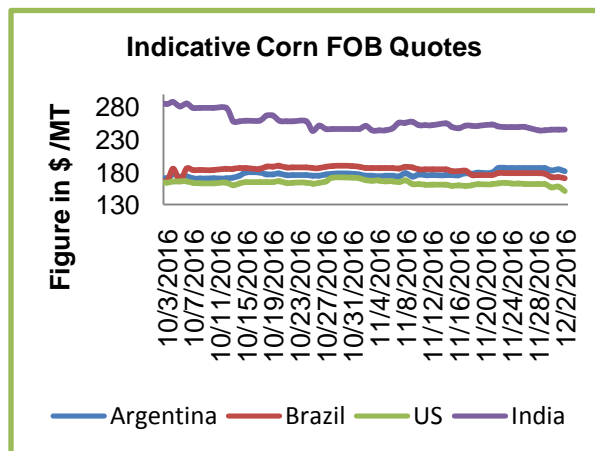
At 0.808 MMT (for the period 18th November – 24th November, 2016) corn exports were up 40 percent from the previous week and 12 percent from the prior 4-week average.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index gain 0.11% during the week ended December 3, 2016 compared to previous week. The base for the Index and all sub-Indices is 2014 (= 100). Detailed charts and index computation methodology can be viewed on the ET website and on Agriwatch.com.

### EXPORT PARITY TREND



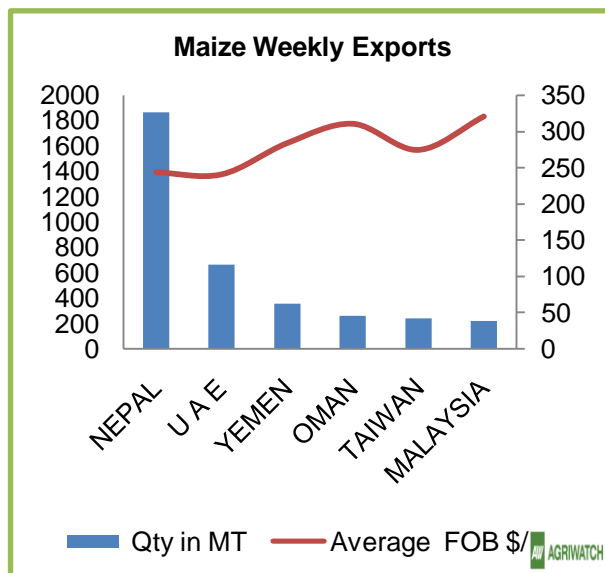
### Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 68.36)

As on 12.02.2016	Argentina	Brazil	US	India
FOB	182.09	171.00	151.50	245.69
Cost and Freight (C&F)	232.09	226.00	211.50	280.69

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 4005 MT maize during the week ended 26<sup>th</sup> November'16 against 3652 MT previous week ending 20<sup>th</sup> November'16. Maize has been exported at an average FoB of \$ 258.65 / 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:

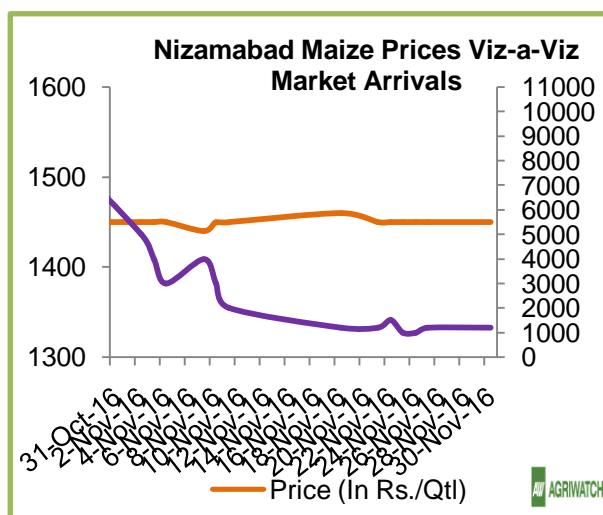
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	15700 (Davangere Origin)	N.A
<b>Namakkal</b>	16300 (Davangere Origin)	N.A

## CURRENT MARKET DYNAMICS:

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

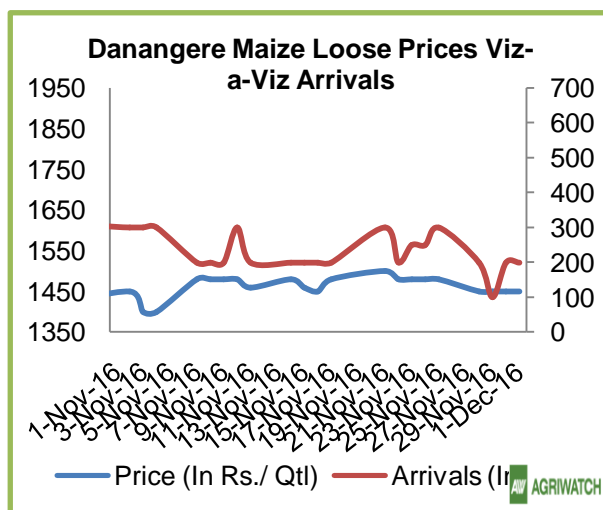
### ANDHRA PRADESH:

- In Nizamabad, maize is likely to trade steady in the near term amid steady local feed makers demand. As per trade sources, in A.P, soybean and paddy crop area is likely to shift towards maize.



### KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore and Nammakal at Rs. 1570 per quintal, 1630 per quintal respectively. It is being traded slightly down as maize crop is hitting in Tamilnadu market from Maharashtra. However, it is likely to trade steady in the near term.



## DOMESTIC MAIZE OUTLOOK:

Maize cash market is likely to trade steady in the near term amid steady feed makers demand.

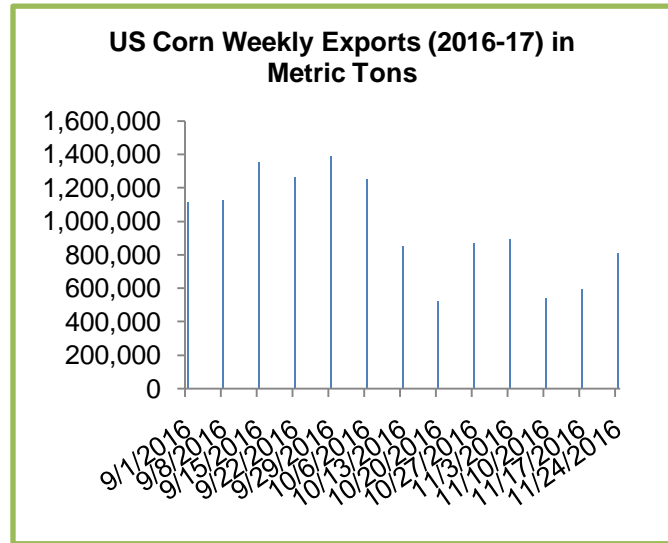


### INTERNATIONALS

### MARKET:

#### HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 11.73 MMT in the 2016-17 marketing year. At 0.808 MMT (for the period 18th November – 24th November, 2016) exports were up 40 percent from the previous week and 12 percent from the prior 4-week average. The primary destinations were Mexico (186,700 MT), South Korea (141,900 MT), Japan (119,100 MT), Colombia (61,400 MT), and the Dominican Republic (53,300 MT).



#### INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 0.69 USD/MT to 132.57 USD/MT for December contract compared to last week with ample supplies from a record U.S. harvest continuing to weigh on market sentiments.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(December Contract Weekly Chart)**

- Candlestick depicts range bound movement in the market.
- RSI is moving up in neutral zone.
- Prices closed above 9 days EMAs.
- Increase in prices with lower OI indicates short covering.
- Strategy: Sell near 1430 for target 1418 and 1412 in the near term.

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

Support & Resistance				
S2	S1	PCP	R1	R2
1396	1411	1426	1442	1458

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1450 per quintal for the week.

### ANNEXURE

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

Market	Grade	1-Dec-16	24-Nov-16	1-Nov-16	1-Dec-15	1-Dec-14
Gulabghagh	Bilty	1625	1625	1550	1600	1250
Delhi	Red	1600	1625	1500	1670	1270
Davangere	Loose	1450	1480	1400	1460	1050
Shimoga	Bilty	1450	1425	1550	1550	1050
Ranebennur	Bilty	1500	1475	1500	NA	1150
Bagalkot	Hybrid/Local	1396	1435	1452	1521	1111
Gadag	Local	1370	1416	1312	1486	1106
Nizamabad	Bilty	1450	1450	1440	1560	1225
Khanna	Bilty	1700	1700	NA	NA	1400
Sangli	Feed	1450	1470	1400	1599	1210
Ahmadabad	Feed	1450	1450	1400	1610	1250
	Starch	1450	1450	1375	1630	1220



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	30-Nov-16	23-Nov-16	Change
Corn CBOT Prices	Dec-16	132.57	133.26	-0.69
	Mar-17	137.20	136.41	0.79
	May-17	140.05	139.17	0.88
	July-17	143.10	141.82	1.28
	Sep-17	145.96	144.68	1.28

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