



# Maize Weekly Research Report

## Contents

- ❖ Executive Summary
- ❖ Recommendations
- ❖ International Corn Market Summary
- ❖ AW- Maize Commodity Index
- ❖ Export Parity Trend
- ❖ Export Break Up By Major Countries
- ❖ Business from various sourcing centers during the season till date
- ❖ Current Market Dynamics
- ❖ Domestic Maize Outlook
- ❖ Internationals Market: Highlights/Current Developments
- ❖ International Corn Outlook
- ❖ Futures Market Analysis: NCDEX MAIZE
- ❖ Davangere Market Analysis
- ❖ Annexure

## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded almost steady during the week and are expected to trade range bound in the near term. In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 30 per quintal to Rs. 1420 per quintal while starch feed makers quoted it firm by Rs. 25 per quintal to Rs. 1475 per quintal compared to last week.

In India, maize has been sown in around 8.99 lakh hectares as on 9<sup>th</sup> December'16 which is higher than 8.63 lakh hectare covered during corresponding period last year. In Maharashtra, it has been sown in around 1.91 lakh hectares which are higher than 1.69 lakh hectare covered during corresponding period last year. However, in Tamil Nadu, it has been sown in around 1.54 lakh hectares which are lower than 1.716 lakh hectare covered during corresponding period last year. In Bihar also, it has been sown in around 2.22 lakh hectares which is lower than 2.5 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.

### RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for January contract near 1428 levels for a target of 1438 and 1443 with a stop loss at 1422 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1430 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 5.42 USD/MT to 137.99 USD/MT for December contract compared to last week as USDA shows smaller than expected U.S supply. Besides, increase in export demand for U.S corn also support to prices.

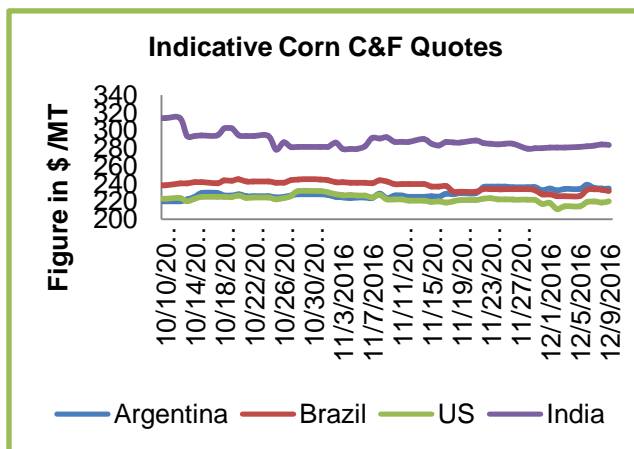
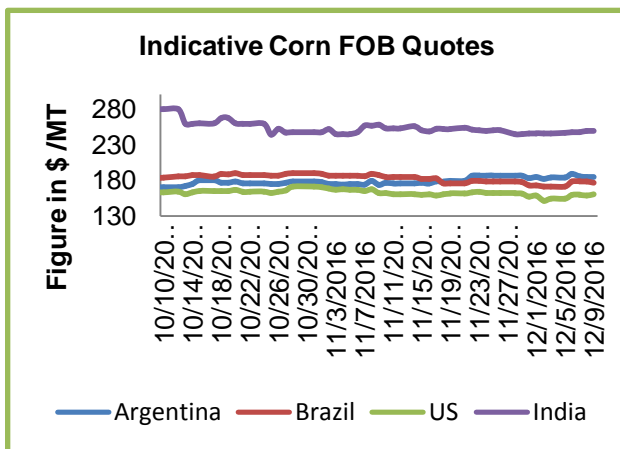
At 1.36 MMT (for the period 25th November – 1st December, 2016) exports were up 69 percent from the previous week and 94 percent from the prior 4-week average.

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

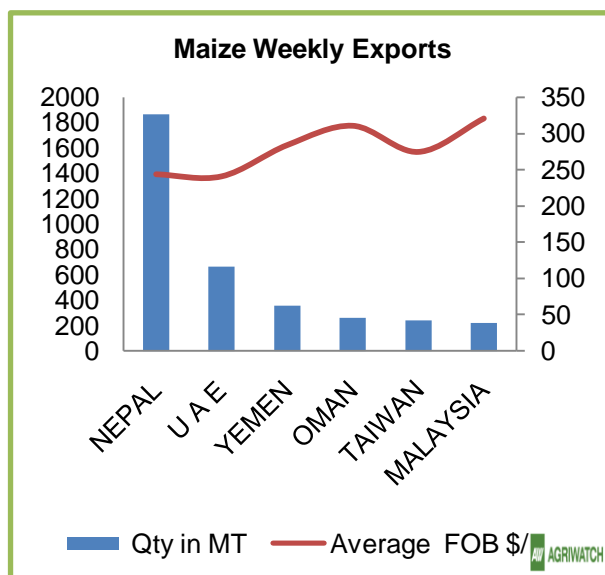


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 67.58)				
As on 12.09.2016	Argentina	Brazil	US	India
FOB	184.25	176.80	160.00	248.56
Cost and Freight (C&F)	234.25	231.80	220.00	283.56

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:**

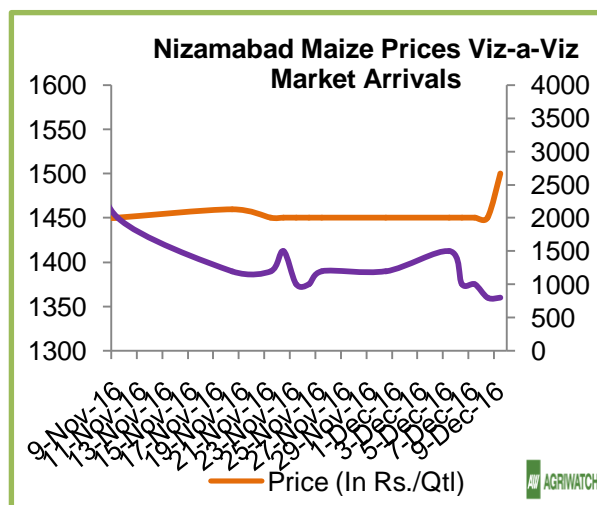
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	15700 (Davangere Origin)	N.A
<b>Namakkal</b>	16300 (Davangere Origin)	N.A

**CURRENT MARKET DYNAMICS:**

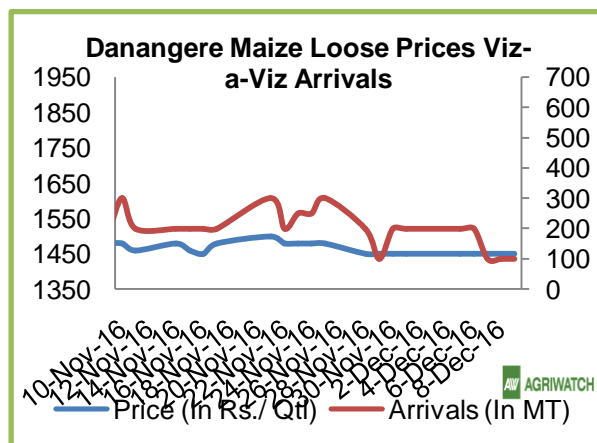
During the week under review, almost steady sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

**ANDHRA PRADESH:**

- In Nizamabad, maize is likely to trade slightly firm in the near term. As per trade sources, in A.P, paddy and soybean crop area is likely to shift towards maize.


**KARNATAKA:**

- Maize sourced from Davangere moved towards Bangalore and Namakkal at Rs. 1570 per quintal, 1630 per quintal respectively. It is likely to trade slightly down as maize crop is hitting in Tamilnadu market from Maharashtra.

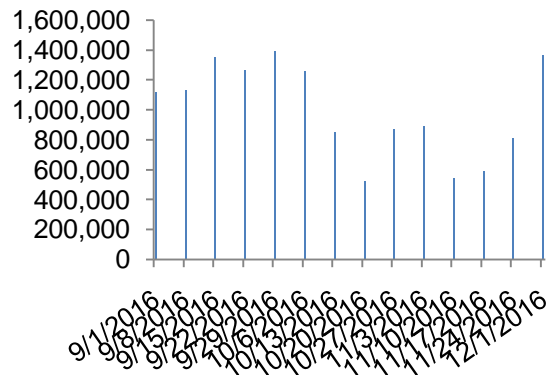

**DOMESTIC MAIZE OUTLOOK:**

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

### INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 13.09 MMT in the 2016-17 marketing year. At 1.36 MMT (for the period 25th November – 1st December, 2016) exports were up 69 percent from the previous week and 94 percent from the prior 4-week average. The primary destinations were Japan (292,000 MT), Mexico (256,700 MT), Taiwan (214,000 MT), Saudi Arabia (182,000 MT), and Peru (72,800 MT).
- USDA kept unchanged its corn ending stock estimates for U.S at 61.048 MMT for 2016/17 compared to last month.
- USDA increased its world corn ending stock estimates by 4.59 MMT to 222.246 MMT for 2016/17 compared to last month.

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



### INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 5.42 USD/MT to 137.99 USD/MT for December contract compared to last week as USDA shows smaller than expected U.S supply. Besides, increase in export demand for U.S corn also support to prices.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(January Contract Weekly Chart)**

- Candlestick depicts range bound movement in the market.
- RSI is moving down in neutral zone.
- Prices closed below 9 and 18 days EMAs.
- Decrease in prices with higher OI indicates short build up.
- Strategy: Buy near 1428 for target 1438 and 1443 in the near term.

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

Support & Resistance				
S2	S1	PCP	R1	R2
1404	1417	1431	1444	1452

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1430 per quintal for the week.

### ANNEXURE

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

Market	Grade	8-Dec-16	1-Dec-16	8-Nov-16	8-Dec-15	8-Dec-14
Gulabbagh	Bilty	1600	1625	1550	1600	1300
Delhi	Red	1575	1600	1600	1640	1280
Davangere	Loose	1450	1450	1480	1460	1080
Shimoga	Bilty	1460	1450	1500	1550	1030
Ranebennur	Bilty	1459	1500	1440	1550	1100
Bagalkot	Hybrid/Local	1401	1401	1386	1550	1081
Gadag	Local	1355	1316	1385	1458	1269
Nizamabad	Bilty	1450	1450	1450	1560	1225
Khanna	Bilty	1680	1700	1580	NA	1400
Sangli	Feed	1440	1450	1450	1529	1207
Ahmadabad	Feed	1420	1450	1410	1625	1240
	Starch	1475	1450	1400	1625	1260



<b>Maize CBOT Weekly Futures Price Listing (USD/Ton)</b>				
	<b>Contract Month</b>	<b>7-Dec-16</b>	<b>30-Nov-16</b>	<b>Change</b>
<b>Corn CBOT Prices</b>	<b>Dec-16</b>	137.99	132.57	<b>5.42</b>
	<b>Mar-17</b>	140.94	137.20	<b>3.74</b>
	<b>May-17</b>	143.60	140.05	<b>3.55</b>
	<b>July-17</b>	146.35	143.10	<b>3.25</b>
	<b>Sep-17</b>	149.11	145.96	<b>3.15</b>

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>  
 © 2016 Indian Agribusiness Systems Pvt. Ltd.