

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 steady to slightly weak during the week and are expected to trade range bound in the near term. However, In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 25 per quintal to Rs. 1445 per quintal while starch feed makers quoted it firm by Rs. 15 per quintal to Rs. 1490 per quintal compared to last week.

In India, maize has been sown in around 11.05 lakh hectares as on 16th December'16 which is higher than 10.26 lakh hectare covered during corresponding period last year. In Maharashtra, it has been sown in around 1.91 lakh hectares which are higher than 1.79 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 3.71 lakh hectares which is lower than 3.78 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 could be 8-10% down compared to last year.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for January contract near 1417 levels for a target of 1405 and 1399 with a stop loss at 1424 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1450-1470 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 0.49 USD/MT to 138.48 USD/MT for December contract compared to last week.

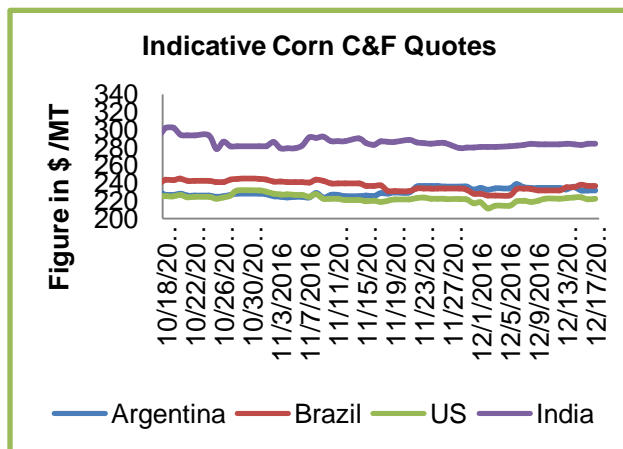
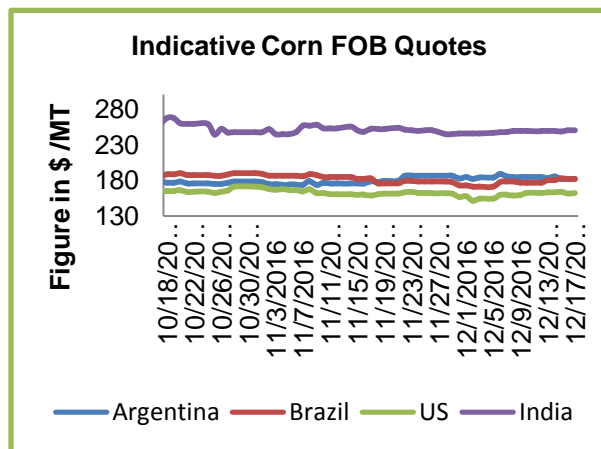
At 0.83 MMT (for the period 2nd December – 8th December, 2016) U.S corn exports were down 39 percent from the previous week, but up 2 percent from the prior 4-week average. The primary destinations were Mexico (198,600 MT), Saudi Arabia (131,100 MT), Japan (103,600 MT), Taiwan (87,100 MT), and South Korea (68,500 MT).

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. 67.84)				
As on 12.17.2016	Argentina	Brazil	US	India
FOB	181.59	181.70	162.32	249.36
Cost and Freight (C&F)	231.59	236.70	222.32	284.36

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.

BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

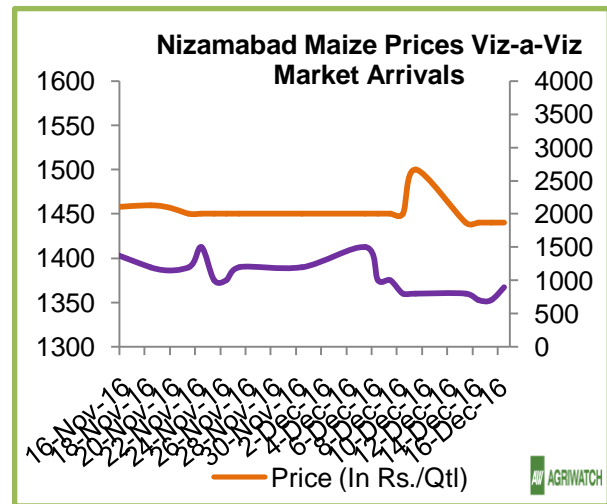
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	15700 (Davangere Origin)	N.A
Namakkal	16300 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

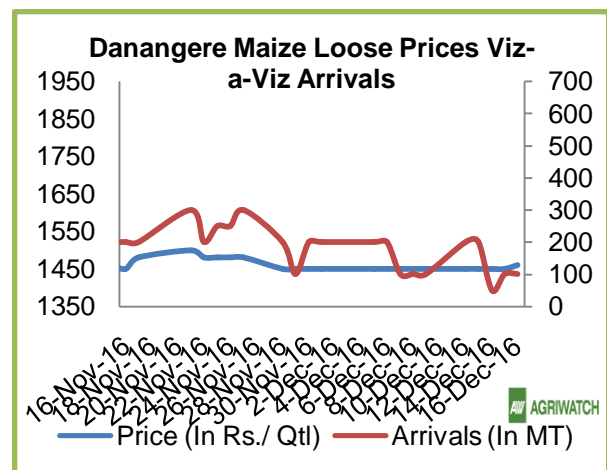
During the week under review, steady to slightly weak sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In Nizamabad, maize is likely to trade steady 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 steady to slightly firm on the expectation of stockiest demand.

DOMESTIC MAIZE OUTLOOK:

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



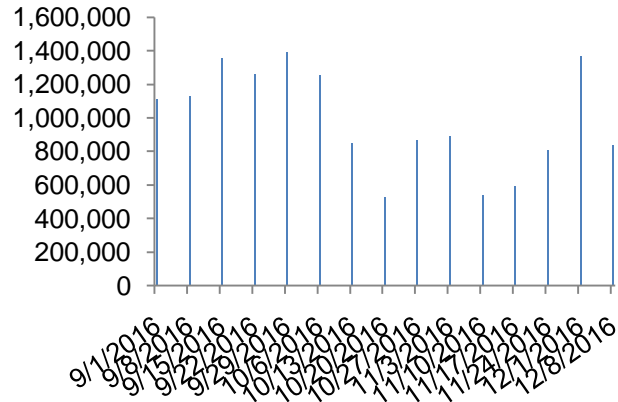
INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 13.92 MMT in the 2016-17 marketing year. At 0.83 MMT (for the period 2nd December – 8th December, 2016) exports were down 39 percent from the previous week, but up 2 percent from the prior 4-week average. The primary destinations were Mexico (198,600 MT), Saudi Arabia (131,100 MT), Japan (103,600 MT), Taiwan (87,100 MT), and South Korea (68,500 MT).
- South Korea's Korea Corn Processing Industry Association purchased about 60,000 MT of yellow corn at \$191.77 per MT c&f including surcharge for additional port unloading from Pan Ocean; for the shipment around March 5-25 from the U.S. Pacific North West coast or Feb. 13 to March 5 from the U.S. Gulf with arrival in South Korea around April 10.

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



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 0.49 USD/MT to 138.48 USD/MT for December contract compared to last week.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(January Contract Weekly Chart)

- Candlestick depicts down 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: Sell near 1417 for target 1405 and 1399 in the near term.

Strategy: Buy
Maize NCDEX (January)

Support & Resistance				
S2	S1	PCP	R1	R2
1373	1390	1412	1429	1446

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1450-1470 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	15-Dec-16	8-Dec-16	15-Nov-16	15-Dec-15	15-Dec-14
Gulabbagh	Bilty	1600	1600	1600	1600	1350
Delhi	Red	1575	1575	1600	1630	1300
Davangere	Loose	1450	1450	1460	1440	1080
Shimoga	Bilty	1410	1460	1400	1400	1020
Ranebennur	Bilty	1455	1450	1460	1450	1135
Bagalkot	Hybrid/Local	1391	1396	1420	1430	1096
Gadag	Local	1380	1400	1437	1412	1069
Nizamabad	Bilty	1440	1450	1460	1550	1225
Khanna	Bilty	1625	1680	1650	1500	1380
Sangli	Feed	1420	1440	1450	1535	1200
Ahmadabad	Feed	1445	1420	1440	1580	1230
	Starch	1490	1475	1400	1575	1250

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	14-Dec-16	7-Dec-16	Change
Corn CBOT Prices	Dec-16	138.48	137.99	0.49
	Mar-17	142.51	140.94	1.57
	May-17	145.07	143.60	1.47
	July-17	147.83	146.35	1.48
	Sep-17	150.39	149.11	1.28

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.