



# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to slightly firm during the week and are expected to trade steady to slightly firm in the near term too as stockiest are keen to buy at this time. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 35 per quintal to Rs. 1480 per quintal while starch feed makers quoted it firm by Rs. 30 per quintal to Rs. 1520 per quintal compared to last week.

In India, maize has been sown in around 12.21 lakh hectares as on 23<sup>rd</sup> December'16 which is higher than 11.42 lakh hectare covered during corresponding period last year. In Maharashtra, it has been sown in around 2.07 lakh hectares which are higher than 1.997 lakh hectare covered during corresponding period last year. However, in Tamil Nadu, it has been sown in around 1.55 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 3.96 lakh hectares which is lower than 4.12 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 1418 levels for a target of 1408 and 1403 with a stop loss at 1424 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1470-1480 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 0.59 USD/MT to 137.89 USD/MT for December contract compared to last week due to low export demand for U.S corn.

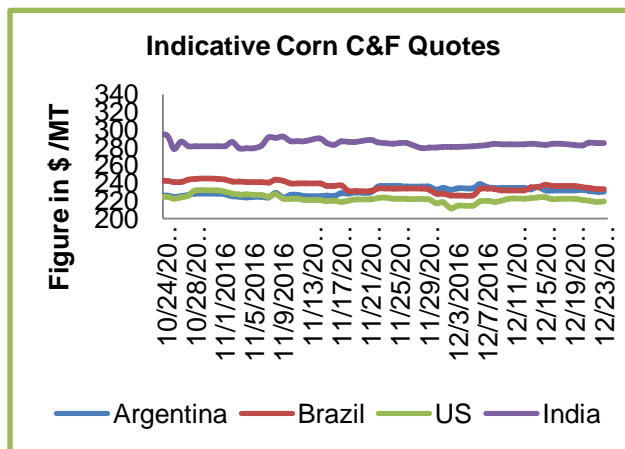
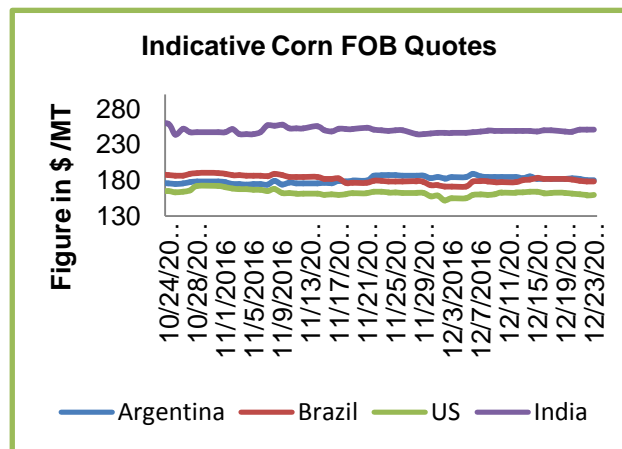
At 0.78 MMT (for the period 2nd December – 8th December, 2016) U.S corn exports were down 7 percent from the previous week and 13 percent from the prior 4-week average. The primary destinations were Japan (239,600 MT), Mexico (194,100 MT), Saudi Arabia (74,800 MT), Egypt (58,900 MT), and Chile (44,000 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. 67.91)				
As on 12.23.2016	Argentina	Brazil	US	India
FOB	180.02	178.05	159.57	250.34
Cost and Freight (C&F)	230.02	233.05	219.57	285.34

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:

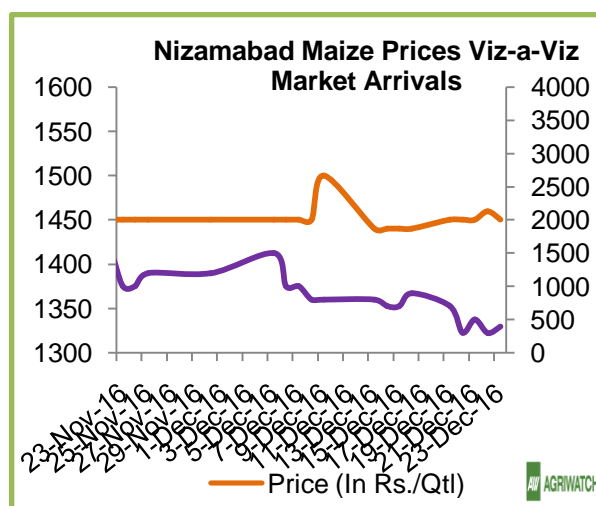
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	15400 (Davangere Origin)	N.A
<b>Davangere</b>	15000 (Maharashtra Origin)	
<b>Namakkal</b>	16400 (Davangere Origin)	N.A

## CURRENT MARKET DYNAMICS:

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

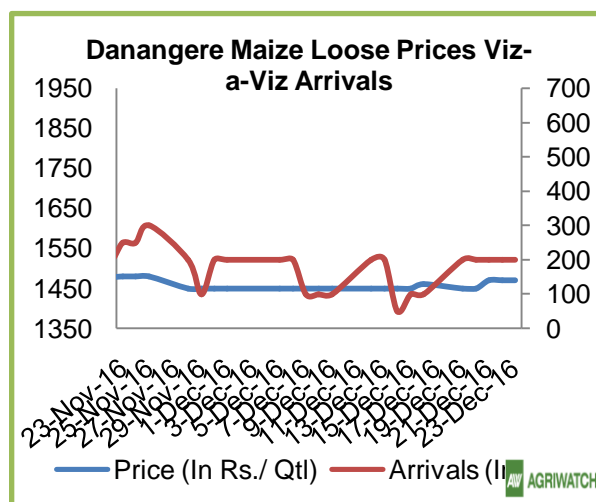
### ANDHRA PRADESH:

- In Nizamabad, maize is likely to trade steady in the near term. 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 Nammakal at Rs. 1540 per quintal, 1640 per quintal respectively. It is likely to trade steady to slightly firm on the expectation of stockiest demand.

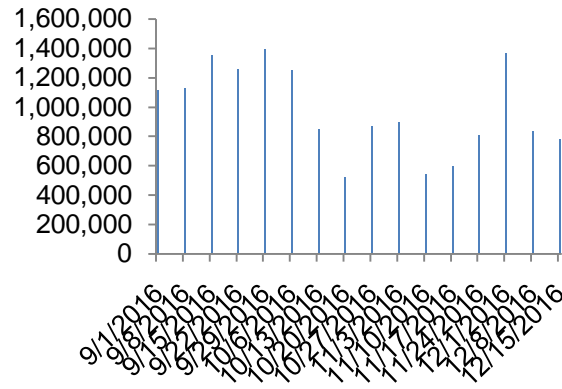


## DOMESTIC MAIZE OUTLOOK:

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

**INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS**

- As per USDA, U.S corn exports reached 14.71 MMT in the 2016-17 marketing year. At 0.78 MMT (for the period 2nd December – 8th December, 2016) exports were down 7 percent from the previous week and 13 percent from the prior 4-week average. The primary destinations were Japan (239,600 MT), Mexico (194,100 MT), Saudi Arabia (74,800 MT), Egypt (58,900 MT), and Chile (44,000 MT).
- Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 46% in the October'16 from 45.9% during the same month last year as users' reliance on alternatives such as Sorghum decreased.

**US Corn Weekly Exports (2016-17) in Metric Tons****INTERNATIONAL CORN OUTLOOK:**

Corn prices on CBOT fall by 0.59 USD/MT to 137.89 USD/MT for December contract compared to last week due to low export demand for U.S corn.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(January Contract Weekly Chart)**

- Candlestick depicts market could trade range bound in the market.
- RSI is moving down in neutral zone.
- Prices closed below 9 and 18 days EMAs.
- Increase in prices with lower volume and OI indicates weak market.
- Strategy: Sell near 1418 for target 1408 and 1403 in the near term.

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

Support & Resistance				
S2	S1	PCP	R1	R2
1396	1403	1414	1427	1432

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1470-1480 per quintal for the week.

### ANNEXURE

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

Market	Grade	22-Dec-16	15-Dec-16	22-Nov-16	22-Dec-15	22-Dec-14
Gulabghagh	Bilty	1625	1600	1650	1600	1350
Delhi	Red	1560	1575	1625	1600	1290
Davangere	Loose	1470	1450	1480	1420	1100
Shimoga	Bilty	1430	1410	1410	1400	1040
Ranebennur	Bilty	1470	1460	1475	1420	1250
Bagalkot	Hybrid/Local	1372	1390	1445	1510	1100
Gadag	Local	1388	1410	1423	1420	1136
Nizamabad	Bilty	1460	1440	1450	1540	1225
Khanna	Bilty	1600	1625	1700	1500	1350
Sangli	Feed	1430	1420	1480	1525	1238
Ahmadabad	Feed	1480	1445	1500	1580	1270
	Starch	1520	1490	1500	1600	1275



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	20-Dec-16	14-Dec-16	Change
Corn CBOT Prices	Dec-16	137.89	138.48	-0.59
	Mar-17	140.54	142.51	-1.97
	May-17	143.50	145.07	-1.57
	July-17	146.55	147.83	-1.28
	Sep-17	150.29	150.39	-0.10

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