

# 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 as stockiest are keen to buy at this time. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 50 per quintal to Rs. 1530 per quintal while starch feed makers quoted it firm by Rs. 30 per quintal to Rs. 1550 per quintal compared to last week.

In India, maize has been sown in around 13.14 lakh hectares as on 30<sup>th</sup> December'16 which is higher than 12.27 lakh hectare covered during corresponding period last year. In Maharashtra, it has been sown in around 2.18 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 1.58 lakh hectares which are lower than 1.76 lakh hectare covered during corresponding period last year. In Bihar also, it has been sown in around 4.27 lakh hectares which is lower than 4.28 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 same compared to last year.

### RECOMMENDATION:

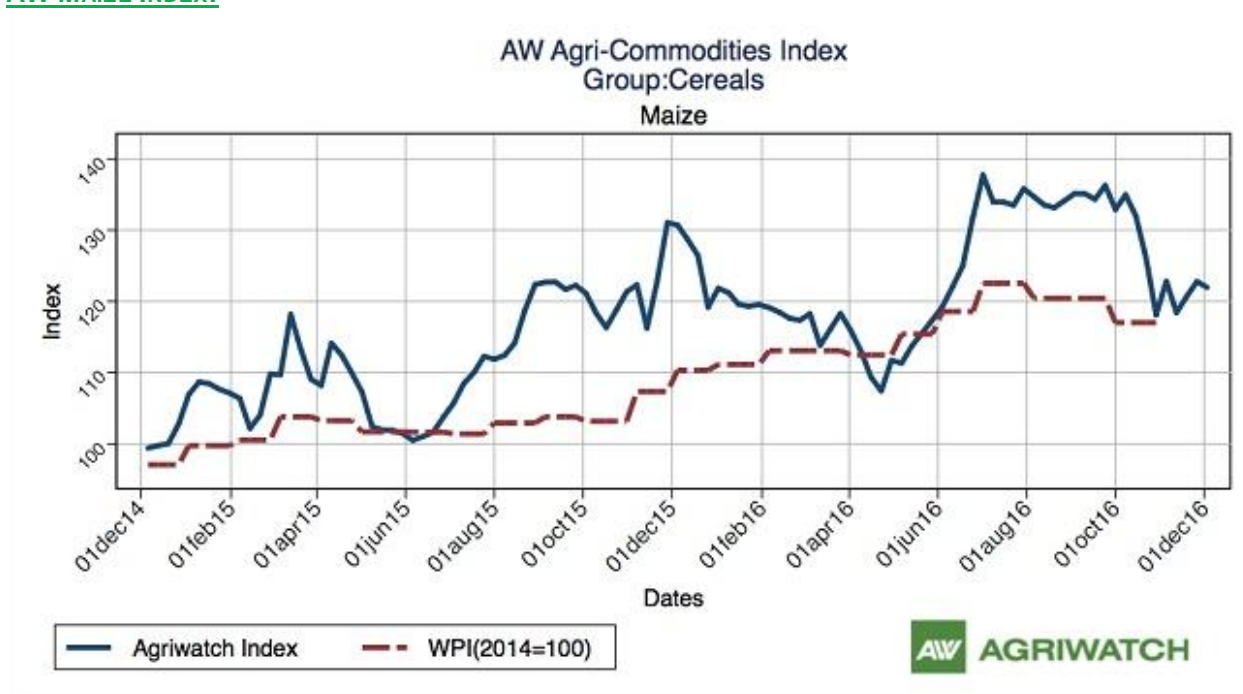
Weekly Call - : Market participants are advised to go long in Maize for January contract near 1423 levels for a target of 1433 and 1438 with a stop loss at 1417 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1470-1480 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 0.79 USD/MT to 137.10 USD/MT for December contract compared to last week as easing concerns about South American crop weather weigh on market sentiments.

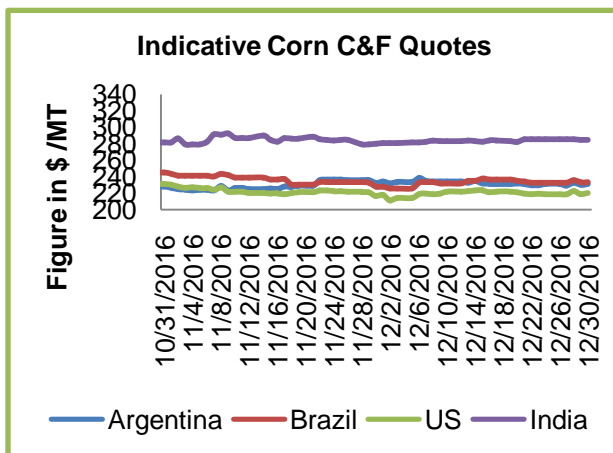
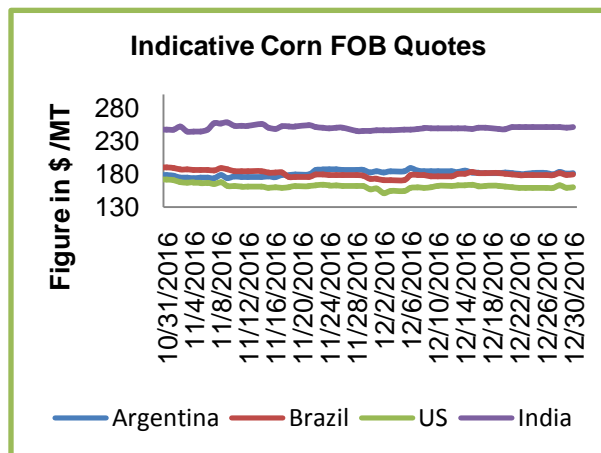
At 0.99 MMT (for the period 16th December –22nd December, 2016) U.S corn exports were up 27 percent from the previous week and 5 percent from the prior 4-week average. The primary destinations were Mexico (286,800 MT), South Korea (187,800 MT), Japan (179,800 MT), Peru (142,500 MT), and Colombia (42,000 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. 67.95)				
As on 12.30.2016	Argentina	Brazil	US	India
FOB	181.00	179.05	160.55	250.19
Cost and Freight (C&F)	231.00	234.05	220.55	285.19

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:

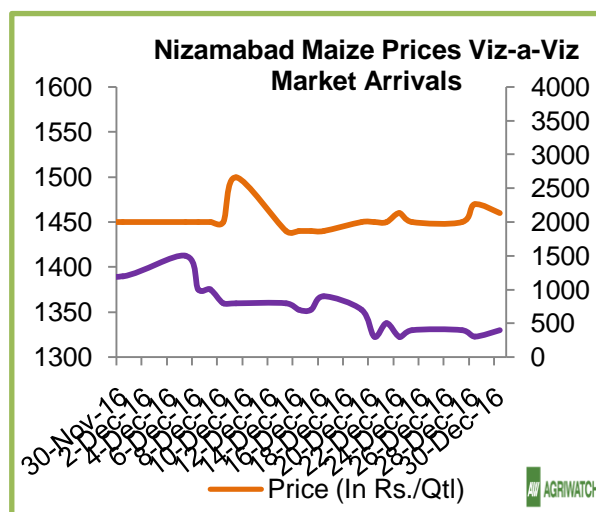
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	15700 (Davangere Origin)	N.A
<b>Davangere</b>	15000 (Maharashtra Origin)	
<b>Namakkal</b>	16400 (Davangere Origin)	N.A

### 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:

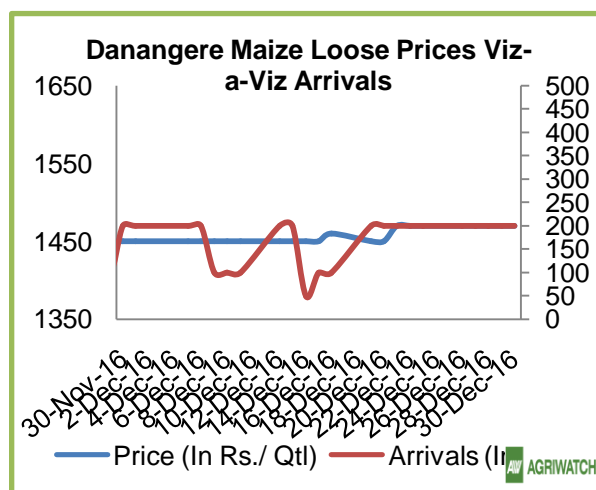
#### ANDHRA PRADESH:

- 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. 1570 per quintal, 1640 per quintal respectively. It is likely to trade steady to slightly firm on the expectation of stockiest demand.



### DOMESTIC MAIZE OUTLOOK:

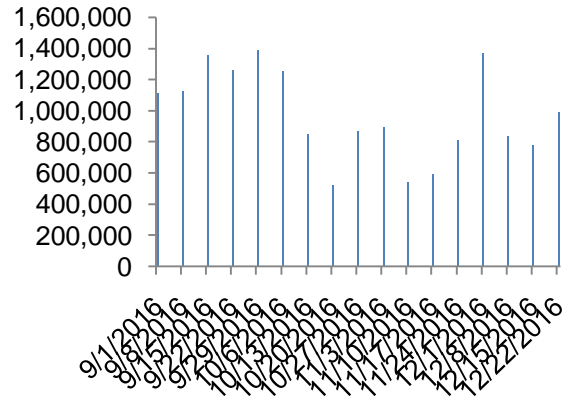
Maize cash market is likely to trade steady to slightly firm in the near term.



### INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 15.70 MMT in the 2016-17 marketing year. At 0.99 MMT (for the period 16th December –22nd December, 2016) exports were up 27 percent from the previous week and 5 percent from the prior 4-week average. The primary destinations were Mexico (286,800 MT), South Korea (187,800 MT), Japan (179,800 MT), Peru (142,500 MT), and Colombia (42,000 MT).

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



### INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 0.79 USD/MT to 137.10 USD/MT for December contract compared to last week as easing concerns about South American crop weather weigh on market sentiments.

### FUTURES MARKET ANALYSIS: NCDEX MAIZE:



#### (January Contract Weekly Chart)

- Candlestick depicts gain in the market.
- RSI is moving up in neutral zone.
- Prices closed below 9 and 18 days EMAs.
- Increase in prices with lower OI indicates short covering.
- Strategy: Buy near 1423 for target 1433 and 1438 in the near term.

**Strategy: Sell**

**Maize NCDEX (January)**

Support & Resistance				
S2	S1	PCP	R1	R2
1396	1412	1428	1441	1454

### 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	29-Dec-16	22-Dec-16	29-Nov-16	29-Dec-15	29-Dec-14
Gulabbagh	Bilty	1600	1625	1600	1610	1340
Delhi	Red	1575	1560	1600	NA	NA
Davangere	Loose	1470	1470	1450	1420	1110
Shimoga	Bilty	1420	1430	1430	1375	1050
Ranebennur	Bilty	1479	1460	1500	NA	NA
Bagalkot	Hybrid/Local	1415	1391	NA	NA	1151
Gadag	Local	1386	1385	NA	1403	NA
Nizamabad	Bilty	1470	1460	Closed	1540	NA
Khanna	Bilty	1600	1600	1700	NA	1310
Sangli	Feed	1450	1430	1450	1528	1270
Ahmadabad	Feed	1530	1480	1420	1640	1350
	Starch	1550	1520	1450	1650	1340

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	28-Dec-16	21-Dec-16	Change
Corn CBOT Prices	Mar-17	137.10	137.89	-0.79
	May-17	139.66	140.54	-0.88
	July-17	142.51	143.5	-0.99
	Sep-17	145.37	146.55	-1.18
	Dec-17	148.91	150.29	-1.38

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