



# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to 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 steady at Rs. 1530 per quintal while starch feed makers quoted it firm by Rs. 15 per quintal to Rs. 1565 per quintal compared to last week.

In India, maize has been sown in around 13.95 lakh hectares as on 6<sup>th</sup> January'17 which is higher than 12.87 lakh hectare covered during corresponding period last year. In Maharashtra, it has been sown in around 2.28 lakh hectares which are higher than 2.03 lakh hectare covered during corresponding period last year. However, in Tamil Nadu, it has been sown in around 1.66 lakh hectares which are lower than 1.89 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 4.29 lakh hectare covered during corresponding period last year.

As per trade sources, in A.P and Telengana region, maize crop area is likely to increase by 20% while in Bihar, it could be more or less same compared to last year. Agriwatch expect total maize crop area could be around 15 lakh hectares for the Rabi season during 2016/17.

### RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for February contract near 1454 levels for a target of 1442 and 1436 with a stop loss at 1460 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

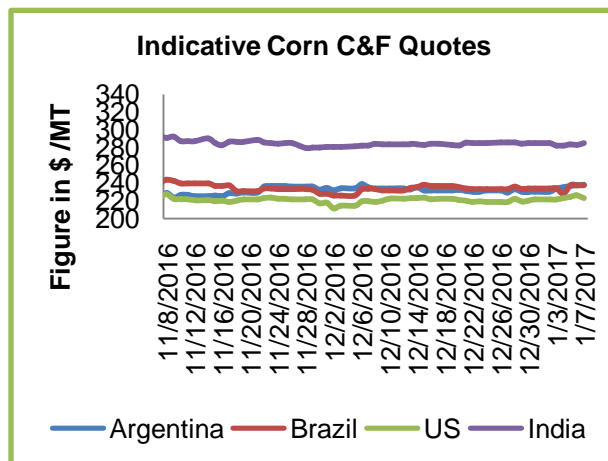
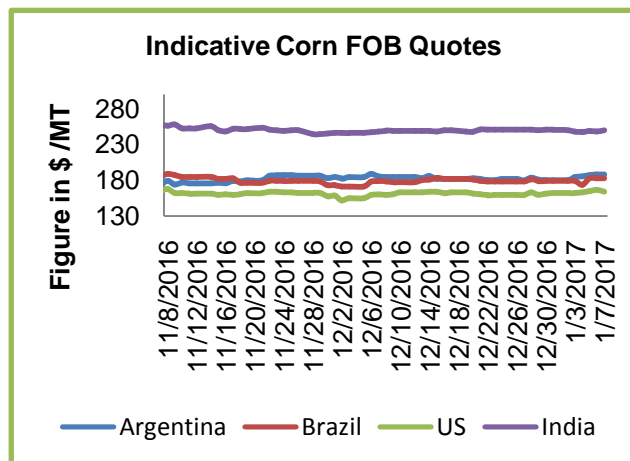
Corn prices on CBOT rose by 4.53 USD/MT to 141.63 USD/MT for March contract compared to last week.

At 0.60 MMT (for the period 23rd December –29th December, 2016) U.S corn exports were down 39 percent from the previous week and from the prior 4-week average. The primary destinations were Mexico (147,900 MT), South Korea (126,700 MT), Peru (113,500 MT), Japan (98,400 MT), and Guatemala (40,900 MT).

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index gain 0.68% during the week ended January 7, 2017 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. 68.06)				
As on 01.07.2017	Argentina	Brazil	US	India
<b>FOB</b>	188.19	182.75	163.40	249.79
<b>Cost and Freight (C&amp;F)</b>	238.19	237.75	223.4	284.79

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.

- We are unable to update export-import data as Govt has restricted the latest IBIS data for Public domain. We will be able to update it as and when it will be available.

BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

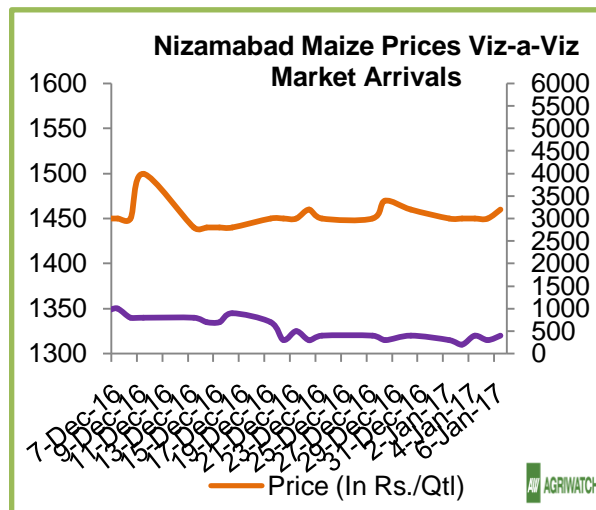
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	15700 (Davangere Origin)	N.A
<b>Namakkal</b>	16400 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

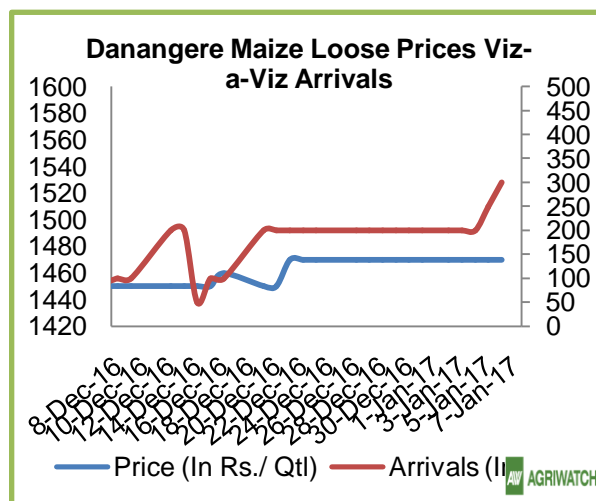
During the week under review, steady to firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

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 Namakkal 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:

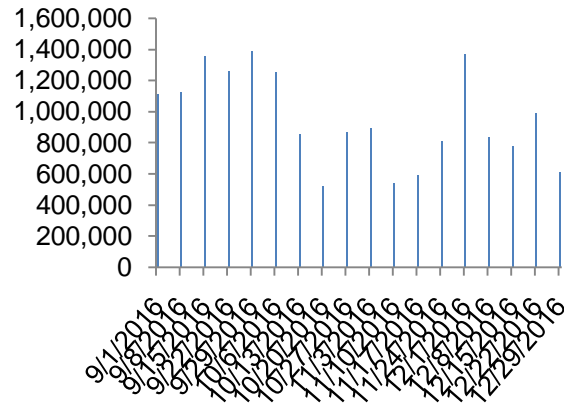
Maize cash market is likely to trade steady to slightly firm in the near term.



### INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 16.31 MMT in the 2016-17 marketing year. At 0.60 MMT (for the period 23<sup>rd</sup> December –29<sup>th</sup> December, 2016) exports were down 39 percent from the previous week and from the prior 4-week average. The primary destinations were Mexico (147,900 MT), South Korea (126,700 MT), Peru (113,500 MT), Japan (98,400 MT), and Guatemala (40,900 MT).

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



### INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 4.53 USD/MT to 141.63 USD/MT for March contract compared to last week. However, it is likely to trade down due to low export demand for U.S corn.

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(February 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 1454 for target 1442 and 1436 in the near term.

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

Support & Resistance				
S2	S1	PCP	R1	R2
1424	1435	1448	1461	1474

### 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	5-Jan-17	29-Dec-16	6-Dec-16	5-Jan-16	5-Jan-15
Gulabbagh	Bilty	1650	1600	1625	1600	1350
Delhi	Red	1580	1575	1575	NA	1430
Davangere	Loose	1470	1470	1450	1420	1080
Shimoga	Bilty	1430	1430	1450	1400	1070
Ranebennur	Bilty	1429	1460	1470	1450	NA
Bagalkot	Hybrid/Local	1429	1409	1401	1447	1172
Gadag	Local	1435	1386	1379	1389	1091
Nizamabad	Bilty	1450	1470	1450	1520	NA
Khanna	Bilty	1625	1600	1690	NA	1350
Sangli	Feed	1490	1450	1450	1550	1254
Ahmadabad	Feed	1530	1530	1410	1585	1400
	Starch	1565	1550	1525	1600	1380



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	4-Jan-17	28-Dec-16	Change
Corn CBOT Prices	Mar-17	141.63	137.10	4.53
	May-17	143.99	139.66	4.33
	July-17	146.55	142.51	4.04
	Sep-17	149.21	145.37	3.84
	Dec-17	152.26	148.91	3.35

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