



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 due to stockiest demand and is expected to trade firm in the near term too. In Ahmadabad region of Gujarat, poultry feed makers quoted maize steady at Rs. 1500 per quintal while starch feed makers quoted it firm by Rs. 5 per quintal to Rs. 1530 per quintal compared to last week.

In India, maize has been sown in around 15.71 lakh hectares as on 20th January'17 which is higher than 14.22 lakh hectare covered during corresponding period last year. In Maharashtra, it has been sown in around 2.69 lakh hectares which is higher than 2.11 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 4.47 lakh hectares which is higher than 4.36 lakh hectare covered during corresponding period last year. However, in Tamil Nadu, it has been sown in around 1.66 lakh hectare which is lower than 1.93 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 almost same compared to last year.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for February contract near 1465 levels for a target of 1451 and 1444 with a stop loss at 1473 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1520-1540 per quintal for the week.

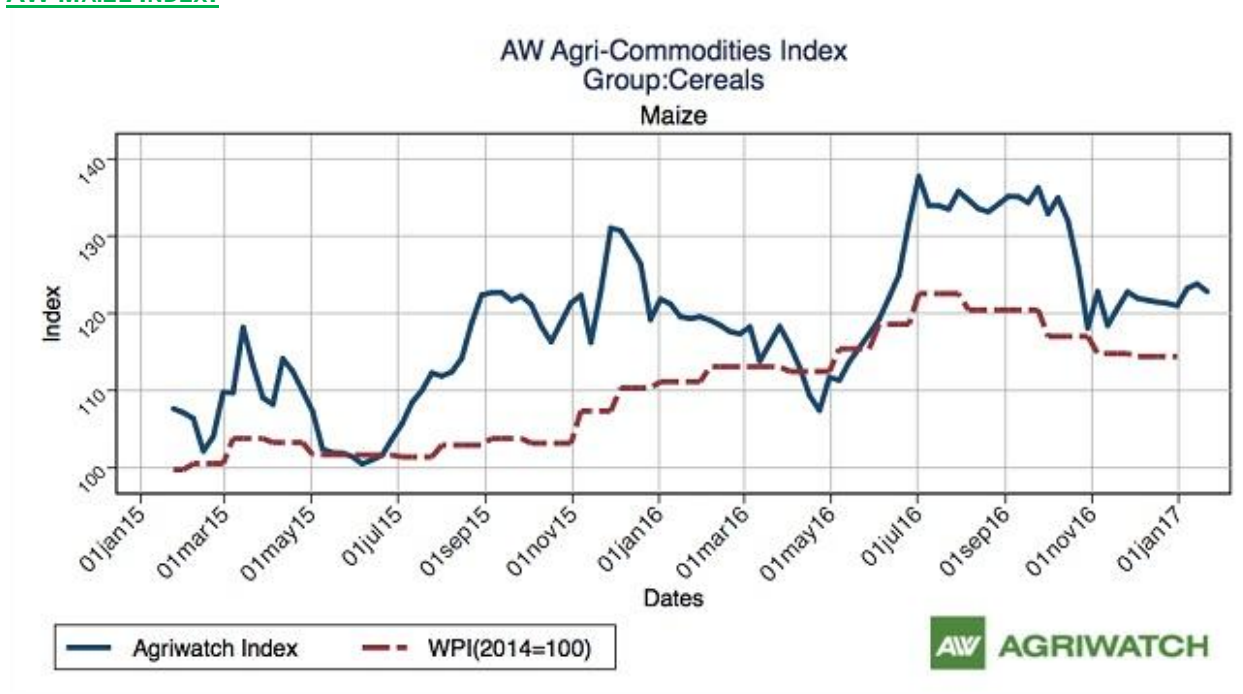
INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 3.05 USD/MT to 143.69 USD/MT for March contract compared to last week.

U.S corn exports reached 17.93 MMT in the 2016-17 marketing year. At 0.93 MMT (for the period 6th January –12th January, 2017) exports were up 34 percent from the previous week and 21 percent from the prior 4-week average.

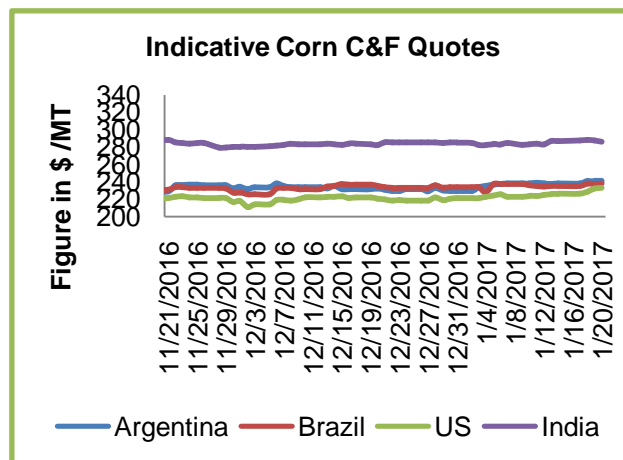
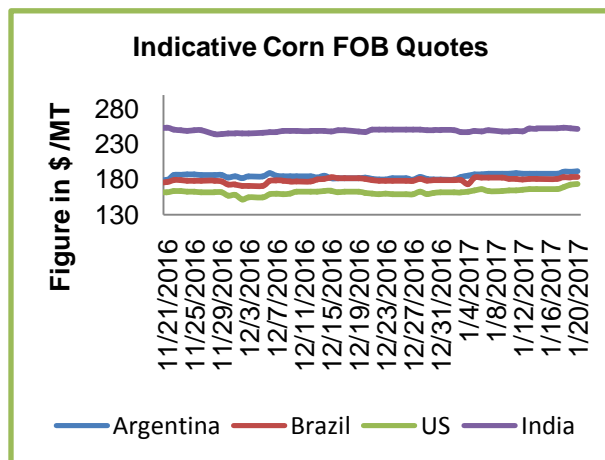
The IGC raised its forecast for the 2016/17 global corn production by 3 MMT to 1045 MMT compared to previous forecast and 73 MMT compared to last year.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index gain 0.73% during the week ended January 21, 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. 68.08)				
As on 20.01.2017	Argentina	Brazil	US	India
FOB	191.44	183.55	173.68	251.20
Cost and Freight (C&F)	241.44	238.55	233.68	286.20

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:

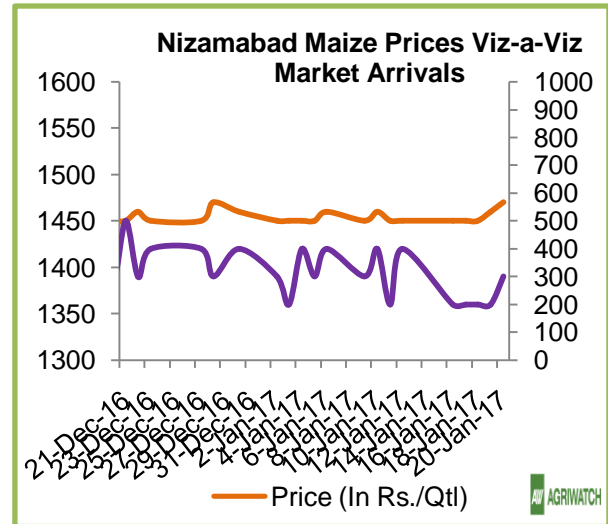
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	16000 (Davangere Origin)	N.A
Namakkal	16800 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

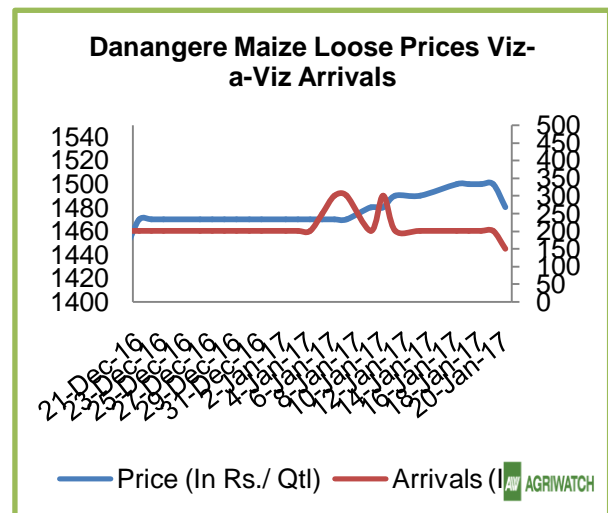
During the week under review, steady to firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In Nizamabad, maize is likely to trade firm in the near term. As per trade sources, in A.P and Telengana region, maize crop area is likely to increase by 20%.

KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore and Nammakal at Rs. 1600 per quintal, 1680 per quintal respectively. It is likely to trade firm in the near term amid higher demand.

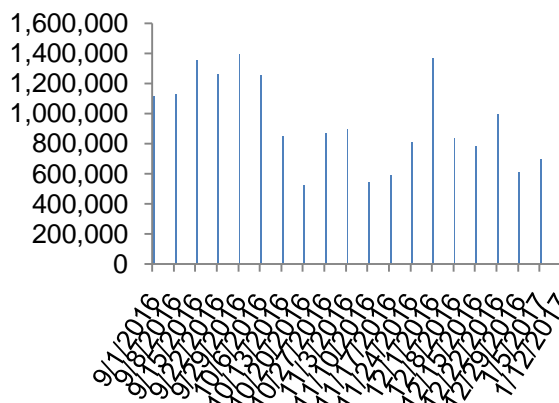
DOMESTIC MAIZE OUTLOOK:

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

INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 17.93 MMT in the 2016-17 marketing year. At 0.93 MMT (for the period 6th January –12th January, 2017) exports were up 34 percent from the previous week and 21 percent from the prior 4-week average. The primary destinations were Mexico (190,800 MT), South Korea (186,600 MT), Japan (161,600 MT), Saudi Arabia (86,300 MT), and Colombia (68,500 MT).
- Preliminary data of Japanese government shows that Japan's use of corn in animal feed production remained unchanged at 45.8% in the November'16 compared to same month last year.
- The IGC raised its forecast for the 2016/17 global corn production by 3 MMT to 1045 MMT compared to previous forecast and 73 MMT compared to last year. Forecast for global corn ending stock was also raised by 1 MMT to 225 MMT compared to last forecast and 16 MMT compared to last year.

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



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 3.05 USD/MT to 143.69 USD/MT for March contract compared to last week due to high export demand for U.S corn.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(February Contract Weekly Chart)

- Candlestick depicts gain in the market.
- RSI is moving up in neutral zone.
- Prices closed above 9 and 18 days EMAs.
- Increase in prices with lower OI indicates short covering.
- Strategy: Sell near 1465 for target 1451 and 1444 in the near term.

Strategy: Sell

Maize NCDEX (February)

Support & Resistance				
S2	S1	PCP	R1	R2
1408	1435	1463	1481	1500

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1480-1500 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	19-Jan-17	12-Jan-17	19-Dec-16	19-Jan-16	19-Jan-15
Gulabbagh	Bilty	1630	1600	1625	1600	1400
Delhi	Red	1600	1570	1575	1650	1450
Davangere	Local Delivered	1530	1530	NA	NA	NA
Shimoga	Bilty	1430	1450	1430	1490	1080
Ranebennur	Bilty	1503	1450	1460	1451	1130
Bagalkot	Hybrid/Local	1448	1437	1401	1452	1182
Gadag	Local	1448	1430	1379	1395	1192
Nizamabad	Bilty	1460	1450	1450	1520	1270
Khanna	Bilty	1620	1600	1600	NA	1500
Sangli	Feed	1500	1500	1425	1532	1278
Ahmadabad	Feed	1500	1500	1450	1560	1400
	Starch	1530	1525	1450	1600	1425

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	18-Jan-17	11-Jan-17	Change
Corn CBOT Prices	Mar-17	143.69	140.64	3.05
	May-17	146.55	143.30	3.25
	July-17	149.30	146.06	3.24
	Sep-17	151.76	148.81	2.95
	Dec-17	154.23	151.86	2.37

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