



# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded firm during the week due to high feed makers demand and is expected to trade firm in the near term too. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 50 per quintal to Rs. 1550 per quintal while starch feed makers quoted it firm by Rs. 25 per quintal to Rs. 1575 per quintal compared to last week.

In India, maize has been sown in around 15.96 lakh hectares as on 27<sup>th</sup> January'17 which is higher than 14.49 lakh hectare covered during corresponding period last year. In Maharashtra, it has been sown in around 2.73 lakh hectares which is higher than 2.12 lakh hectare covered during corresponding period last year. In Bihar, it has been sown in around 4.48 lakh hectares which is higher than 4.38 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:

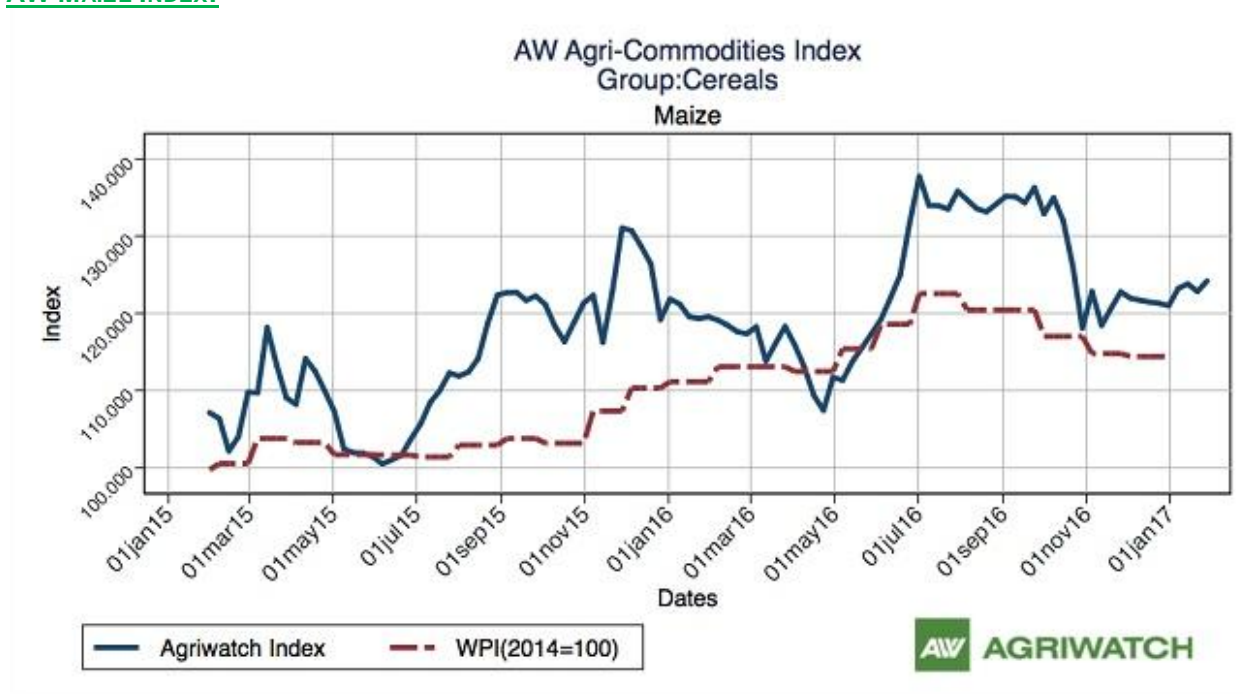
Weekly Call - : Market participants are advised to go long in Maize for February contract near 1442 levels for a target of 1462 and 1472 with a stop loss at 1430 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1550-1570 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 0.49 USD/MT to 143.20 USD/MT for March contract compared to last week.

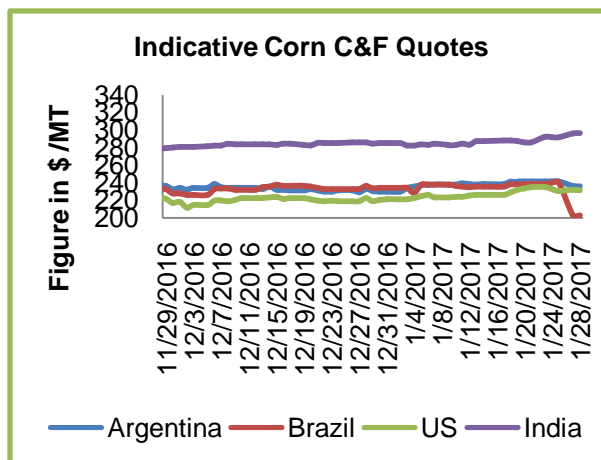
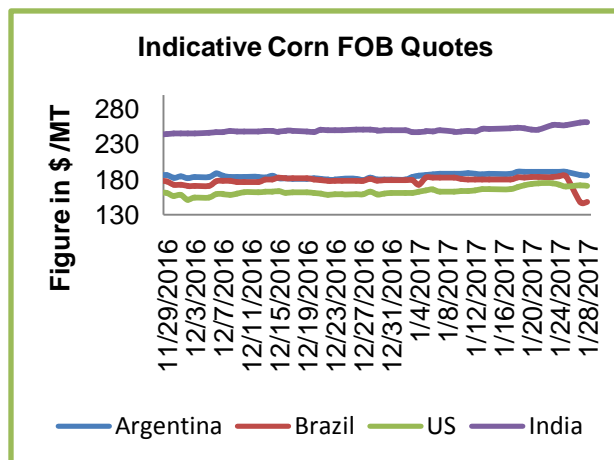
At 0.97 MMT (for the period 13<sup>th</sup> January –19<sup>th</sup> January, 2017) U.S corn exports were up 6 percent from the previous week and 22 percent from the prior 4-week average. The primary destinations were Mexico (326,100 MT), Taiwan (154,000 MT), South Korea (143,500 MT), Colombia (86,900 MT), and Japan (57,100 MT).

### AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index gain 1.56% during the week ended January 28, 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. 68.1)				
As on 28.01.2017	Argentina	Brazil	US	India
FOB	186.02	148.13	171.46	261.56
Cost and Freight (C&F)	236.02	203.13	231.46	296.56

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:

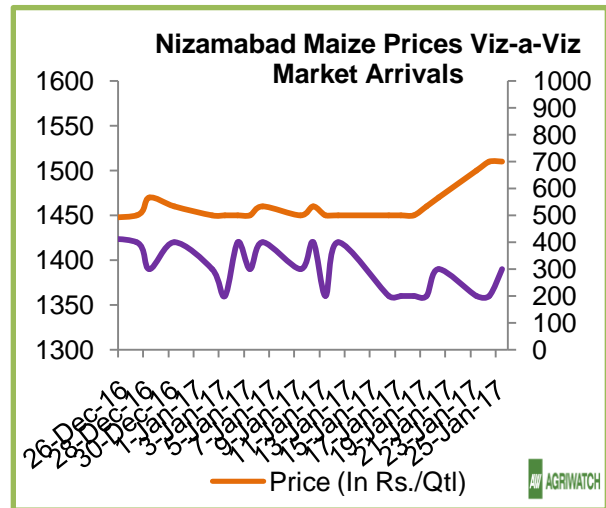
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	17000 (Davangere Origin)	N.A
<b>Namakkal</b>	18000 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

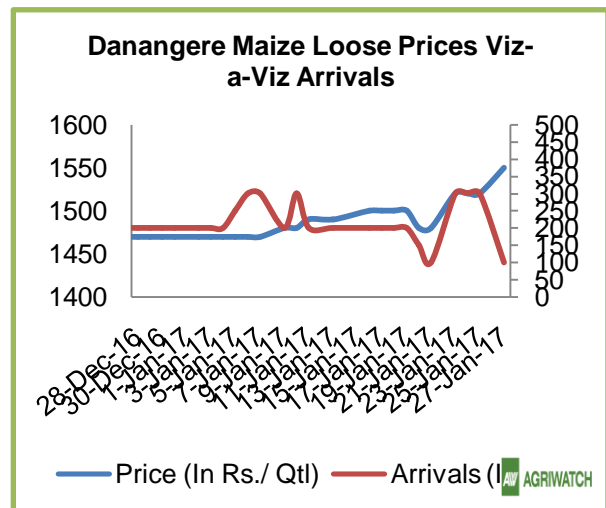
During the week under review, firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

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 Namakkal at Rs. 1700 per quintal, 1800 per quintal respectively. It is likely to trade firm in the near term amid higher demand.

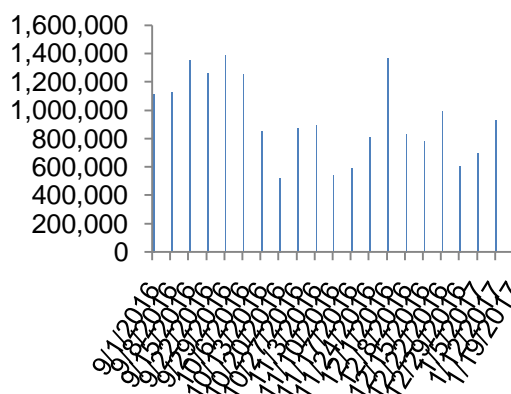
DOMESTIC MAIZE OUTLOOK:

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 18.91 MMT in the 2016-17 marketing year. At 0.97 MMT (for the period 13<sup>th</sup> January –19<sup>th</sup> January, 2017) exports were up 6 percent from the previous week and 22 percent from the prior 4-week average. The primary destinations were Mexico (326,100 MT), Taiwan (154,000 MT), South Korea (143,500 MT), Colombia (86,900 MT), and Japan (57,100 MT).

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



### INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 0.49 USD/MT to 143.20 USD/MT for March contract compared to last week.

### FUTURES MARKET ANALYSIS: NCDEX MAIZE:



#### (February Contract Weekly Chart)

- Candlestick depicts range bound movement in the market.
- RSI is moving up in neutral zone.
- Prices closed above 9 and 18 days EMAs.
- Decrease in prices with lower OI indicates long liquidation.
- Strategy: Buy near 1442 for target 1462 and 1472 in the near term.

#### Strategy: Buy

#### Maize NCDEX (February)

Support & Resistance				
S2	S1	PCP	R1	R2
1413	1430	1449	1477	1505

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1550-1570 per quintal for the week.

### ANNEXURE

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

Market	Grade	27-Jan-17	20-Jan-17	27-Dec-16	27-Jan-16	27-Jan-15
Gulabbagh	Bilty	1650	1630	1625	1600	1400
Delhi	Red	1600	1600	1550	1640	1450
Davangere	Local Delivered	1620	1550	NA	NA	NA
Shimoga	Bilty	1450	1450	1420	1490	1080
Ranebennur	Bilty	1545	1520	1460	1530	1140
Bagalkot	Hybrid/Local	1451	1455	1415	1425	1180
Gadag	Local	1511	1449	1402	1386	1122
Nizamabad	Bilty	1510	1470	1450	1500	1270
Khanna	Bilty	1660	1610	1600	NA	1450
Sangli	Feed	1520	1502	1429	1530	1254
Ahmadabad	Feed	1550	1500	1500	1580	1330
	Starch	1575	1550	1525	1600	1340



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	26-Jan-17	19-Jan-17	Change
Corn CBOT Prices	Mar-17	143.20	143.69	-0.49
	May-17	146.06	146.55	-0.49
	July-17	148.81	149.30	-0.49
	Sep-17	151.27	151.76	-0.49
	Dec-17	153.83	154.23	-0.40

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