



# 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 due to high feed makers demand and is expected to trade steady in the near term. In Ahmadabad region of Gujarat, poultry feed makers quoted maize steady at Rs. 1550 per quintal while starch feed makers quoted it firm by Rs. 10 per quintal to Rs. 1570 per quintal compared to last week.

In India, maize has been sown in around 16.5 lakh hectares as on 3<sup>rd</sup> February'17 which is higher than 15.07 lakh hectare covered during corresponding period last year. In Maharashtra, it has been sown in around 2.77 lakh hectares which is higher than 2.13 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 1.74 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, crop arrivals are expected at month end.

### RECOMMENDATION:

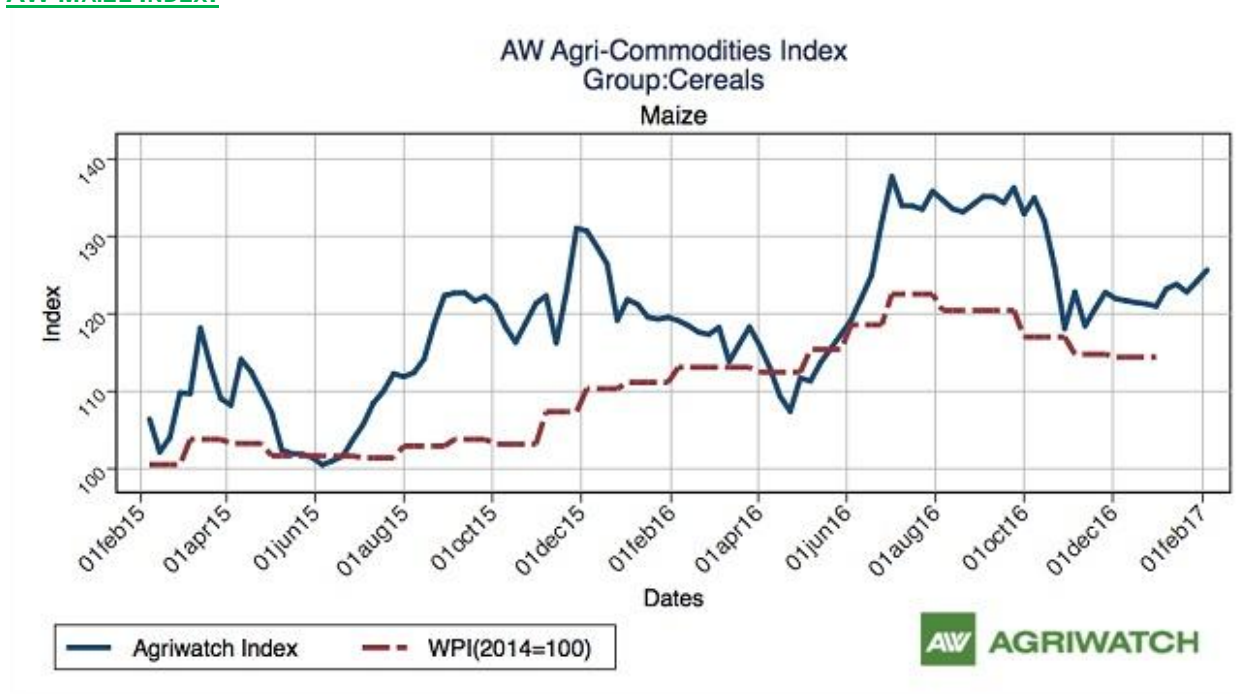
Weekly Call - : Market participants are advised to go long in Maize for February contract near 1454 levels for a target of 1464 and 1469 with a stop loss at 1448 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1500-1520 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 1.57 USD/MT to 141.63 USD/MT for March contract compared to last week due to low export demand for U.S corn.

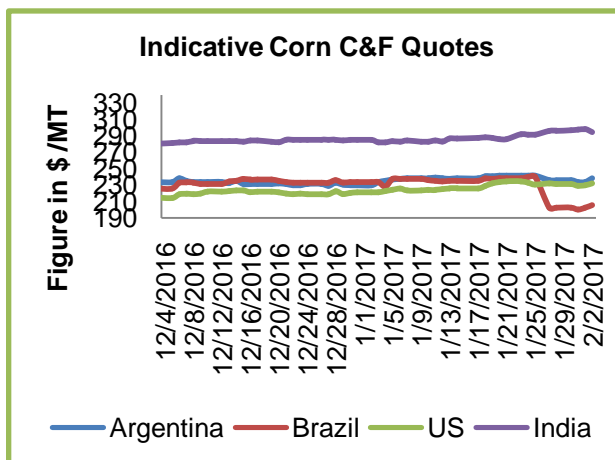
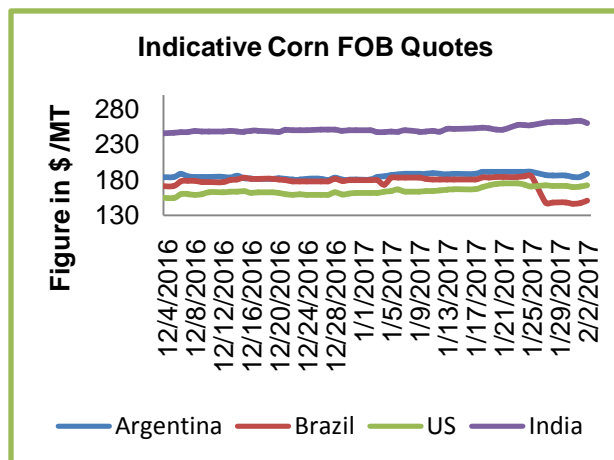
At 0.76 MMT (for the period 20<sup>th</sup> January –26<sup>th</sup> January, 2017) U.S corn exports were down 22 percent from the previous week and 5 percent from the prior 4-week average.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index gain 1.49% during the week ended February 4, 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. 67.44) |           |        |        |        |
|--|-----------|--------|--------|--------|
| As on 2.02.2017  | Argentina | Brazil | US     | India  |
| FOB  | 188.29    | 150.55 | 172.10 | 259.61 |
| Cost and Freight (C&F)   | 238.29    | 205.55 | 232.10 | 294.61 |

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:

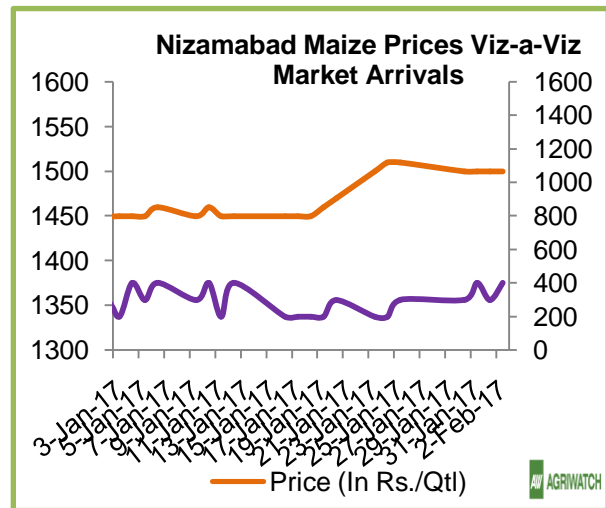
| Destination      | By Road (Rs/MT)             | By Rake (Rs/MT) |
|------------------|-----------------------------|-----------------|
| <b>Bangalore</b> | 17200<br>(Davangere Origin) | N.A             |
| <b>Namakkal</b>  | 17600<br>(Davangere Origin) | N.A             |

CURRENT MARKET DYNAMICS:

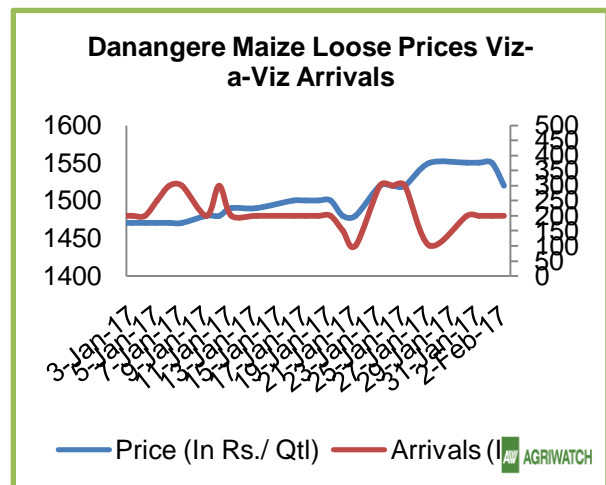
During the week under review, steady to slightly firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In Nizamabad, maize is likely to trade steady in the near term. As per trade sources, crop arrivals are expected at month end.

KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore and Nammakal at Rs. 1720 per quintal, 1760 per quintal respectively. It is likely to trade steady in the near term.

DOMESTIC MAIZE OUTLOOK:

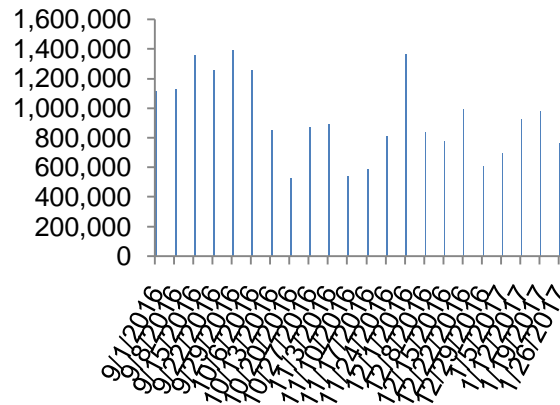
Maize cash market is likely to trade steady in the near term.



### INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 19.67 MMT in the 2016-17 marketing year. At 0.76 MMT (for the period 20<sup>th</sup> January – 26<sup>th</sup> January, 2017) exports were down 22 percent from the previous week and 5 percent from the prior 4-week average. The primary destinations were Mexico (151,000 MT), Japan (132,200 MT), Malaysia (69,700 MT), South Korea (58,000 MT), and Colombia (56,800 MT).

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



### INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 1.57 USD/MT to 141.63 USD/MT for March contract compared to last week due to low export demand for U.S corn.

**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.
- Increase in prices with lower volume and OI indicates weak market.
- Strategy: Buy near 1454 for target 1464 and 1469 in the near term.

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

| Support & Resistance |      |      |      |      |
|----------------------|------|------|------|------|
| S2                   | S1   | PCP  | R1   | R2   |
| 1426                 | 1440 | 1454 | 1470 | 1484 |

### DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1500-1520 per quintal for the week.

### ANNEXURE

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

| Market     | Grade           | 2-Feb-17 | 26-Jan-17 | 2-Jan-17 | 2-Feb-16 | 2-Feb-15 |
|------------|-----------------|----------|-----------|----------|----------|----------|
| Gulabbagh  | Bilty           | 1620     | 1620      | 1600     | 1600     | NA       |
| Delhi      | Red             | 1600     | 1600      | 1575     | 1625     | 1430     |
| Davangere  | Local Delivered | 1600     | 1570      | NA       | NA       | NA       |
| Shimoga    | Bilty           | NA       | 1450      | NA       | 1490     | 1080     |
| Ranebennur | Bilty           | NA       | 1510      | 1480     | 1480     | 1210     |
| Bagalkot   | Hybrid/Local    | 1452     | 1451      | 1422     | 1420     | 1124     |
| Gadag      | Local           | 1549     | 1511      | 1400     | 1381     | 1115     |
| Nizamabad  | Bilty           | 1500     | 1510      | 1450     | 1500     | 1260     |
| Khanna     | Bilty           | 1600     | 1660      | 1600     | NA       | 1460     |
| Sangli     | Feed            | 1520     | 1510      | 1470     | 1510     | 1250     |
| Ahmadabad  | Feed            | 1550     | 1550      | 1525     | 1580     | 1315     |
|            | Starch          | 1570     | 1560      | 1550     | 1625     | 1350     |



| Maize CBOT Weekly Futures Price Listing (USD/Ton) |                |          |           |        |
|---|----------------|----------|-----------|--------|
|   | Contract Month | 1-Feb-17 | 24-Jan-17 | Change |
| Corn CBOT Prices                                  | Mar-17         | 141.63   | 143.20    | -1.57  |
|   | May-17         | 144.48   | 146.06    | -1.58  |
|   | July-17        | 147.14   | 148.81    | -1.67  |
|   | Sep-17         | 149.80   | 151.27    | -1.47  |
|   | Dec-17         | 152.45   | 153.83    | -1.38  |

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