



# Maize Weekly Research Report

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## EXECUTIVE SUMMARY

### DOMESTIC MAIZE MARKET SUMMARY

Mixed sentiments witnessed in most of the cash markets of maize during the week and are expected to trade steady to slightly weak in the near term. In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 30 per quintal to Rs. 1520 per quintal while starch feed makers quoted it down by Rs. 20 per quintal to Rs. 1550 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.

Overall maize crop conditions are favorable at this time. No loss reported till date. Agriwatch preliminary estimates maize Rabi production at around 6.24 MMT for 2016/17.

As per trade sources, in A.P and Telengana region, crop arrivals are expected around first week of March.

### RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for March contract near 1451 levels for a target of 1421 and 1406 with a stop loss at 1469 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1480-1500 per quintal for the week.

### INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT rose by 4.33 USD/MT to 145.96 USD/MT for March contract compared to last week.

At 1.12 MMT (for the period 27<sup>th</sup> January –2<sup>nd</sup> February, 2017) U.S corn exports were up 47 percent from the previous week and 34 percent from the prior 4-week average.

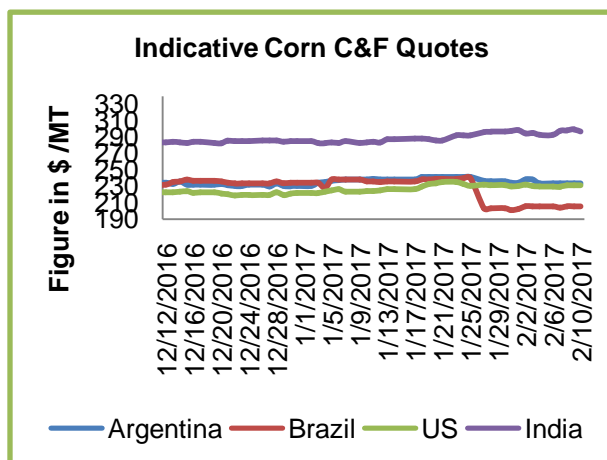
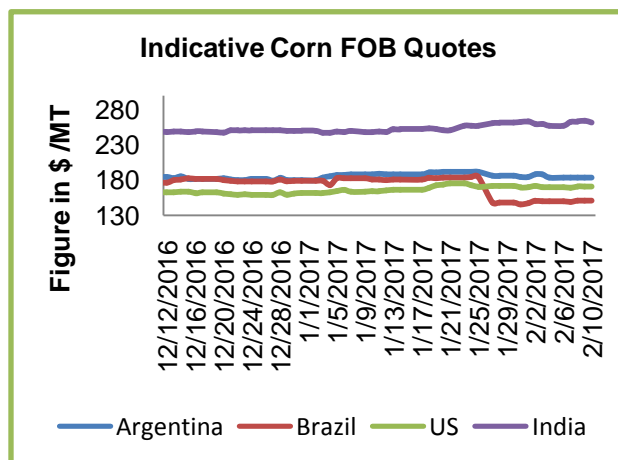
USDA decreased its corn ending stock estimates for U.S by 0.889 MMT to 58.933 MMT for 2016/17 compared to last month due to increase in domestic consumption's estimate.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index fell 0.04% during the week ended February 11, 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. 66.93)				
As on 10.02.2017	Argentina	Brazil	US	India
FOB	183.17	150.58	171.01	261.59
Cost and Freight (C&F)	233.17	205.58	231.01	296.59

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:

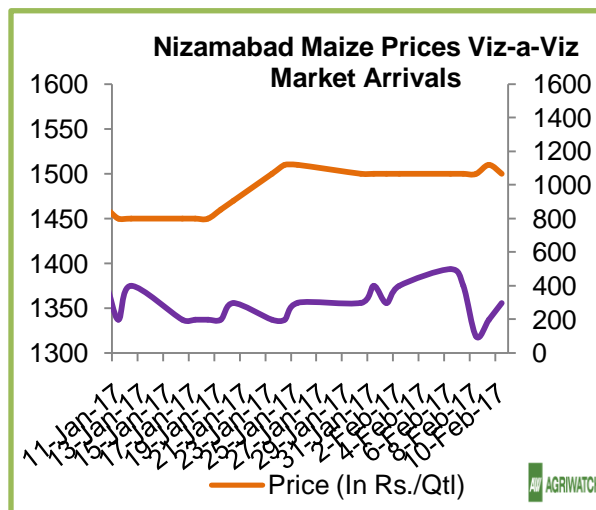
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
<b>Bangalore</b>	17000 (Davangere Origin)	N.A
<b>Namakkal</b>	17400 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

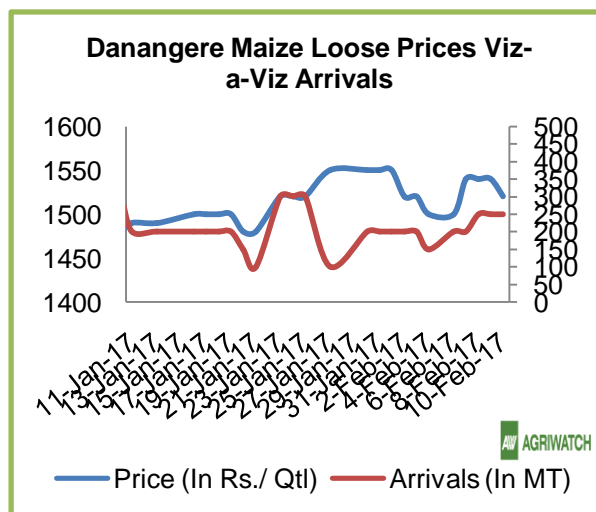
During the week under review, mixed sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In Nizamabad, maize is likely to trade steady in the near term. As per trade sources, crop arrivals are expected around first week of March.


KARNATAKA:

- Maize sourced from Davangere moved towards Bangalore and Nammakal at Rs. 1700 per quintal, 1740 per quintal respectively. It is likely to trade steady to slightly weak in the near term.

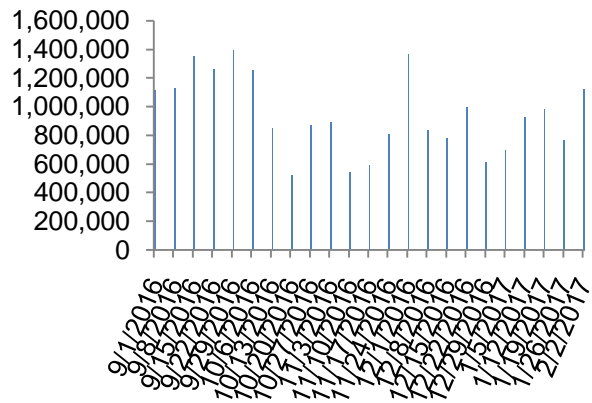

DOMESTIC MAIZE OUTLOOK:

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

### INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 20.80 MMT in the 2016-17 marketing year. At 1.12 MMT (for the period 27<sup>th</sup> January – 2<sup>nd</sup> February, 2017) exports were up 47 percent from the previous week and 34 percent from the prior 4-week average. The primary destinations were Mexico (208,100 MT), Japan (194,500 MT), Colombia (188,300 MT), Taiwan (76,800 MT), and Saudi Arabia (73,700 MT).
- USDA decreased its corn ending stock estimates for U.S by 0.889 MMT to 58.933 MMT for 2016/17 compared to last month due to increase in domestic consumption's estimate.
- USDA also decreased its world corn ending stock estimates by 3.421 MMT to 217.562 MMT for 2016/17 compared to last month due to increase in export demand and domestic consumption's estimate.

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



### INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT rose by 4.33 USD/MT to 145.96 USD/MT for March contract compared to last week due to high export demand for U.S corn. Besides, lower estimates for world corn ending stock also support to prices.

### FUTURES MARKET ANALYSIS: NCDEX MAIZE:



#### (March Contract Weekly Chart)

- Candlestick depicts down in the market.
- RSI is moving down in neutral zone.
- Prices closed below 9 days EMAs.
- Decrease in prices with higher volume and OI indicates short build up.
- Strategy: Sell near 1451 for target 1421 and 1406 in the near term.

#### Strategy: Sell

#### Maize NCDEX (March)

Support & Resistance				
S2	S1	PCP	R1	R2
1381	1405	1447	1473	1499

### 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	9-Feb-17	1-Feb-17	9-Jan-17	9-Feb-16	9-Feb-15
Gulabbagh	Bilty	1625	1620	1660	1600	NA
Delhi	Red	1575	1600	1575	1625	1425
Davangere	Local Delivered	1620	1600	1530	NA	NA
Shimoga	Bilty	1600	1600	1420	1490	1100
Ranebennur	Bilty	1570	1550	NA	1460	1210
Bagalkot	Hybrid/Local	1426	1451	1436	1391	1141
Gadag	Local	1511	1446	NA	1348	1110
Nizamabad	Bilty	1510	1500	1450	1500	1265
Khanna	Bilty	1610	1605	1630	NA	1450
Sangli	Feed	1547	1520	1485	1510	1268
Ahmadabad	Feed	1520	1550	1510	1570	1370
	Starch	1550	1570	1525	1600	1400

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	8-Feb-17	31-Jan-17	Change
Corn CBOT Prices	Mar-17	145.96	141.63	4.33
	May-17	149.01	144.48	4.53
	July-17	151.76	147.14	4.62
	Sep-17	154.13	149.80	4.33
	Dec-17	156.49	152.45	4.04

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