



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

More or less most of the cash markets of maize traded steady during the week and are expected to trade steady to weak in the near term on the expectation of higher crop production. In Ahmadabad region of Gujarat, poultry and starch feed makers quoted maize steady at Rs. 1540 per quintal compared to last week.

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.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for March contract near 1405 levels for a target of 1389 and 1381 with a stop loss at 1414 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1500 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 3.05 USD/MT to 146.06 USD/MT for March contract compared to last week due to low export demand for U.S corn.

At 1.20 MMT (for the period 10th February –16th February, 2017) U.S corn exports were down 4 percent from the previous week, but up 17 percent from the prior 4-week average.

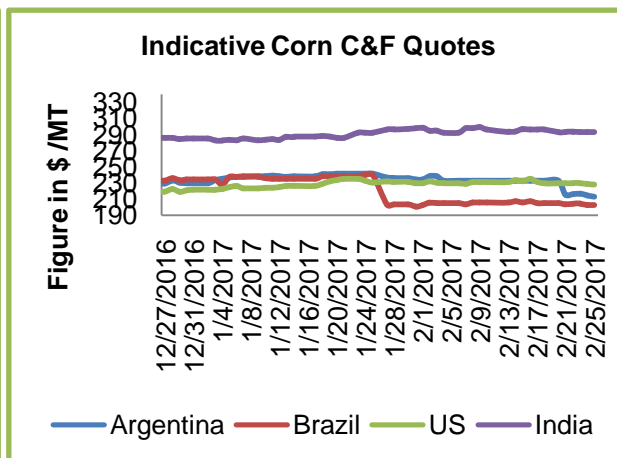
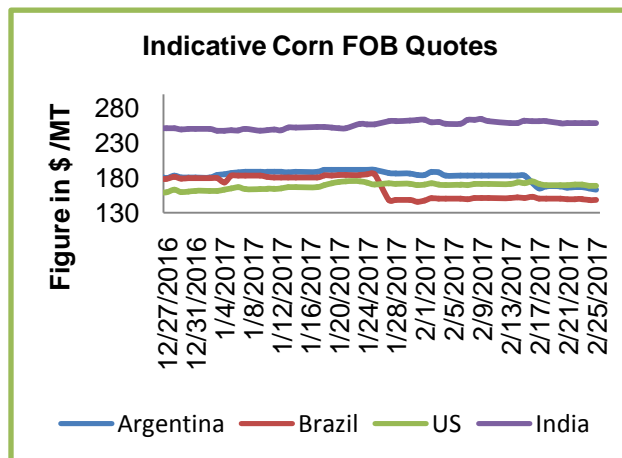
IGC raised its forecast for the 2016/17 global corn production by 4 MMT to 1049 MMT compared to previous forecast and 76 MMT compared to last year as prospects for corn improved in South America.

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. 66.68)				
As on 25.02.2017	Argentina	Brazil	US	India
FOB	162.80	147.83	167.99	258.44
Cost and Freight (C&F)	212.80	202.83	227.99	293.44

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:

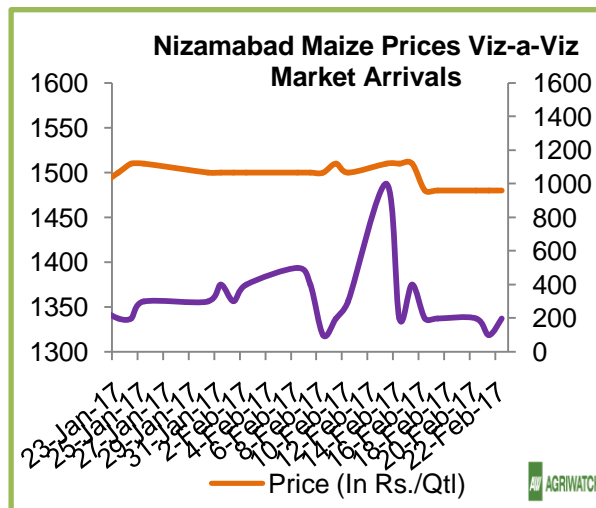
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Namakkal	16700 (Maharashtra Origin)	N.A

CURRENT MARKET DYNAMICS:

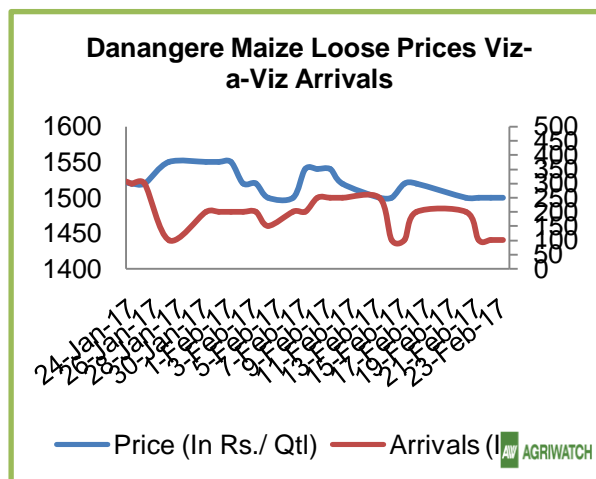
During the week under review, more or less steady sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

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


KARNATAKA:

- It is likely to trade steady in the near term. Arrival pressure from Maharashtra limit the demand of Tamil Nadu' feed makers.

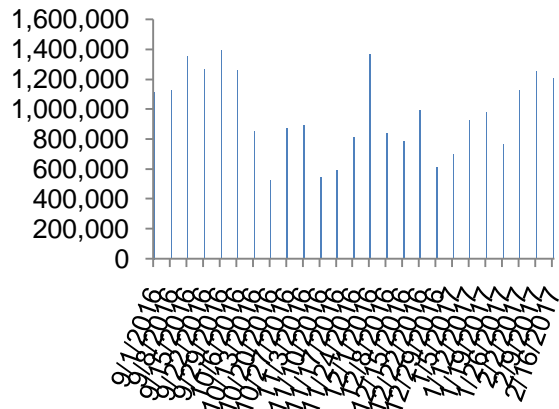

DOMESTIC MAIZE OUTLOOK:

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 23.25 MMT in the 2016-17 marketing year. At 1.20 MMT (for the period 10th February –16th February, 2017) exports were down 4 percent from the previous week, but up 17 percent from the prior 4-week average. The primary destinations were Japan (333,800 MT), Mexico (205,200 MT), Taiwan (164,400 MT), South Korea (126,200 MT), and Peru (78,500 MT).
- South Korea's Korea Corn Processing Industry Association purchased about 55,000 MT of yellow corn at just over \$200 per MT c&f including surcharge for additional port unloading; likely to be sourced from U.S, for arrival around May 10.
- IGC raised its forecast for the 2016/17 global corn production by 4 MMT to 1049 MMT compared to previous forecast and 76 MMT compared to last year as prospects for corn improved in South America. However, forecast for global corn ending stock was fall by 1 MMT to 224 MMT compared to last forecast.

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



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 3.05 USD/MT to 146.06 USD/MT for March contract compared to last week due to low export demand for U.S corn.

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 lower volume and OI indicates consolidation in the market.
- Strategy: Sell near 1405 for target 1389 and 1381 in the near term.

Strategy: Sell
Maize NCDEX (March)

Support & Resistance				
S2	S1	PCP	R1	R2
1360	1380	1401	1420	1440

DAVANGERE MARKET ANALYSIS: MAIZE



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

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	23-Feb-17	16-Feb-17	23-Jan-17	23-Feb-16	23-Feb-15
Gulabbagh	Bilty	1500	1500	1630	NA	NA
Delhi	Red	1580	1575	1600	1675	1470
Davangere	Local Delivered	NA	1560	1570	NA	NA
Shimoga	Bilty	NA	1650	1450	NA	NA
Ranebennur	Bilty	1600	1550	1510	NA	1280
Bagalkot	Hybrid/Local	1446	1460	1463	1361	NA
Gadag	Local	1510	1489	1495	NA	1151
Nizamabad	Bilty	Closed	1510	1500	1460	1280
Khanna	Bilty	1625	1610	1615	NA	1475
Sangli	Feed	1540	1562	1513	1470	1318
Ahmadabad	Feed	1540	1540	1510	1550	1400
	Starch	1540	1540	1530	1550	1450

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	22-Feb-17	15-Feb-17	Change
Corn CBOT Prices	Mar-17	146.06	149.11	-3.05
	May-17	148.91	151.96	-3.05
	July-17	151.76	154.52	-2.76
	Sep-17	154.03	156.39	-2.36
	Dec-17	156.39	158.56	-2.17

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