



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Maize cash markets traded mixed during the week and are expected to trade steady to weak in the near term due to new crop arrival pressure. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 40 per quintal to Rs. 1560 per quintal while starch feed makers quoted it firm by Rs. 100 per quintal to Rs. 1600 per quintal compared to last week.

Overall maize crop conditions are favorable now. 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 1419 levels for a target of 1407 and 1401 with a stop loss at 1426 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1440-1500 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 4.14 USD/MT to 143.79 USD/MT for March contract compared to last week as USDA increased its world corn ending stock estimates.

At 1.45 MMT (for the period 24th February –2nd March, 2017) U.S corn exports were down 3 percent from the previous week, but up 15 percent from the prior 4-week average.

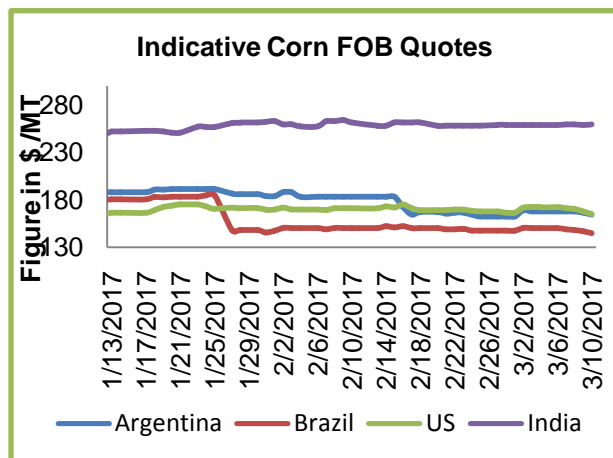
USDA increased its world corn ending stock estimates by 3.116 MMT to 220.678 MMT for 2016/17 compared to last month due to increase in production estimate for Brazil and Argentina crop.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index gained 2.29% during the week ended March 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 10.03.2017	Argentina	Brazil	US	India
FOB	164.76	145.17	165.40	259.52
Cost and Freight (C&F)	214.76	200.17	225.40	294.52

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 available.

BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

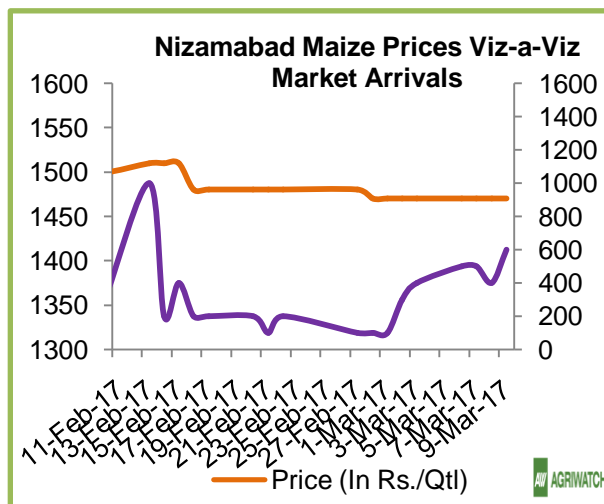
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Namakkal	16700 (Maharashtra Origin)	N.A

CURRENT MARKET DYNAMICS:

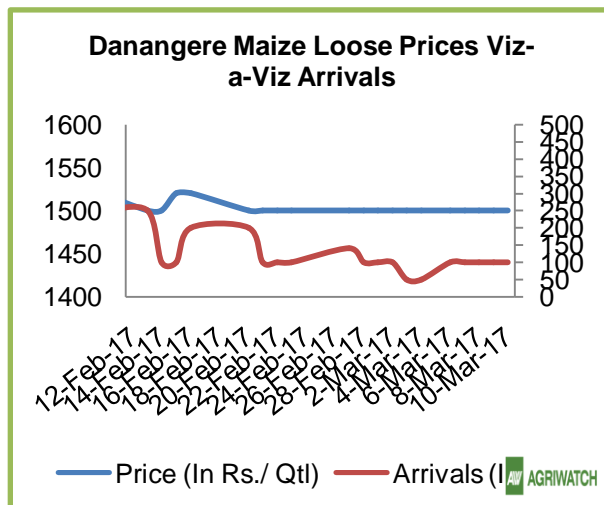
During the week under review, mixed sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

ANDHRA PRADESH:

- In Nizamabad, maize is likely to trade steady to slightly weak in the near term. Some quantity of new crop of maize with 20% moisture content, arrived into the market.


KARNATAKA:

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

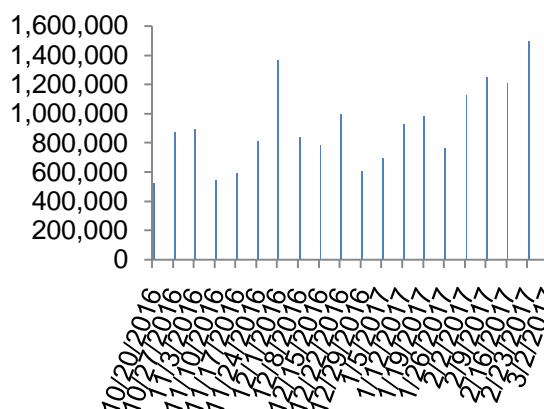

DOMESTIC MAIZE OUTLOOK:

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 26.20 MMT in the 2016-17 marketing year. At 1.45 MMT (for the period 24th February – 2nd March, 2017) exports were down 3 percent from the previous week, but up 15 percent from the prior 4-week average. The primary destinations were Japan (457,200 MT), Mexico (246,300 MT), South Korea (196,500 MT), Colombia (164,000 MT), and Saudi Arabia (113,100 MT).
- USDA increased its world corn ending stock estimates by 3.116 MMT to 220.678 MMT for 2016/17 compared to last month due to increase in production estimate for Brazil and Argentina crop. Brazil crop production is increased by 5 MMT to 91.5 MMT while Argentina crop production is increased by 1 MMT to 37.5 MMT for 2016/17 compared to last month forecast.
- USDA kept unchanged its corn ending stock estimates for U.S at 58.933 MMT for 2016/17 compared to last month.
- South Korea's Korea Corn Processing Industry Association purchased about 60,000 MT of corn likely to be sourced from U.S at \$199.52 per MT c&f including surcharge for additional port unloading for arrival around May 25, with shipment around April 20 to May 10 from the U.S. Pacific North West coast or April 1-20 from the U.S. Gulf.

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



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 4.14 USD/MT to 143.79 USD/MT for March contract compared to last week as USDA increased its world corn ending stock estimates.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(March Contract Weekly Chart)

- Candlestick depicts down in the market.
- RSI is moving in neutral zone.
- Prices closed below 9 days EMAs.
- Increase in prices with lower OI indicates short covering.
- Strategy: Sell near 1419 for target 1407 and 1401 in the near term.

Strategy: Sell

Maize NCDEX (March)

Support & Resistance				
S2	S1	PCP	R1	R2
1375	1395	1416	1450	1484

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1440-1500 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	9-Mar-17	2-Mar-17	9-Feb-17	8-Mar-16	9-Mar-15
Gulabbagh	Bilty	1400	1450	1625	NA	NA
Delhi	Red	1580	1580	1575	1680	1515
Davangere	Local Delivered	NA	NA	1620	NA	NA
Shimoga	Bilty	NA	1550	1600	1470	1130
Ranebennur	Bilty	NA	1555	1600	NA	1300
Bagalkot	Hybrid/Local	1461	1440	1456	1375	NA
Gadag	Local	1459	1480	1505	NA	NA
Nizamabad	Bilty	1470	1470	1510	NA	NA
Khanna	Bilty	1650	1650	1610	1750	1550
Sangli	Feed	1544	1545	1547	1470	1390
Ahmadabad	Feed	1560	1520	1520	1560	1390
	Starch	1600	1500	1550	1580	1440

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	8-Mar-17	28-Feb-17	Change
Corn CBOT Prices	Mar-17	143.79	147.93	-4.14
	May-17	146.55	150.39	-3.84
	July-17	149.5	153.24	-3.74
	Sep-17	152.06	155.6	-3.54
	Dec-17	154.62	157.97	-3.35

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